



# ***Daily Report***

## **East Asia**

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3 November 1995

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# Daily Report

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## Japan

### Murayama on Spending Accord for U.S. Troops

OW0211123895 Tokyo KYODO in English  
1055 GMT 2 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 2 KYODO — Prime Minister Tomiichi Murayama on Thursday [2 November] stressed that a new accord concerning Japanese spending for stationing U.S. troops is also important in resolving the problems of U.S. military bases in Okinawa.

At a House of Representatives session, Murayama said Japan's share of the cost of U.S. troops in Japan is extremely important to maintain the Japan-U.S. security arrangements and ensure the arrangements are smoothly and effectively employed.

Last Friday, the government submitted to the Diet a new Japan-U.S. accord on Japanese spending for U.S. military bases in Japan, hoping to obtain Diet approval by the Nov. 13 closing of their current session in time for U.S. President Bill Clinton's visit to Japan on Nov. 19-20.

The new five-year agreement will succeed the present one, under which Japan has subsidized the U.S. forces in its territory since 1991 and which is set to expire in March 1996.

By signing the new accord, to be effective until March 2001, Japan will start to shoulder the necessary costs for relocating U.S. military exercises due to reasons on the Japanese side.

Opposition to the U.S. military presence in Okinawa, Japan's southernmost island prefecture, has intensified in the wake of the rape of a primary schoolgirl there, for which three U.S. servicemen have been indicted.

Japan and the U.S. agreed Wednesday to set up a new mechanism to discuss realignment and consolidation of U.S. military bases in the prefecture.

Under questioning by opposition lawmakers Iwao Matsuda of Shinshinto (New Frontier Party) and Saneyoshi Furugen of the Japanese Communist Party, Murayama also said he did not want to see a lawsuit over the refusal by Okinawa Gov. Masahide Ota to sign papers forcing Okinawa residents to lease their land to the U.S. military.

If Ota refuses to sign the lease documents, Murayama can force the issue by signing the papers himself after filing an administrative suit and receiving court backing.

Meanwhile, Murayama told members of his Social Democratic Party (SDP) that Japan must take on the

questions of adjusting, consolidating and reducing the size of U.S. military bases in Okinawa.

Addressing a gathering marking the 50th anniversary of the founding of the party, Murayama said it must be done from the perspective of uncertainty over how the international situation in southeast Asia and disarmament will progress.

### Leaders To Try To Solve U.S. Bases Impasse

OW0211145895 Tokyo KYODO in English  
1447 GMT 2 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 2 KYODO — The leaders of the three governing coalition parties agreed Thursday [2 November] to try to resolve the impasse over U.S. military bases in Okinawa under a new mechanism agreed with the United States, government officials said.

Prime Minister Tomiichi Murayama, who heads the Social Democratic Party, Liberal Democratic Party head Ryutaro Hashimoto and New Party Sakigake chief Masayoshi Takemura confirmed at a meeting at a Tokyo hotel that the new forum should discuss ways to realign and consolidate U.S. bases in Okinawa, Japan's southernmost island prefecture, the officials said.

Foreign Minister Yohei Kono, Defense Agency Director General Seishiro Eto and other coalition leaders also attended the meeting.

The impasse stems from Okinawa Gov. Masahide Ota's refusal to sign documents needed to make unwilling local landowners lease property to U.S. military bases in the wake of the Sept. 4 rape of a local schoolgirl, in which three U.S. servicemen from the bases have been indicted.

Anger over the incident was fueled by Japanese authorities not being able to take custody of the suspects because the bilateral Status of Forces Agreement permits U.S. authorities to hold servicemen suspected of crimes outside U.S. military bases until they are indicted by Japanese prosecutors.

The new mechanism, designed to enable discussion of further consolidation of U.S. bases on Okinawa, would be set up under the so-called "two-plus-two" meeting of Japanese and U.S. defense and foreign ministers.

U.S. Defense Secretary William Perry agreed with Kono and Eto on Wednesday to set up the new mechanism.

Its specifics will be ironed out at working-level talks before the Nov. 20 summit meeting between Murayama and U.S. President Bill Clinton.



The three coalition leaders also agreed to try to achieve a breakthrough in the impasse through talks with Gov. Ota, who is scheduled to hold talks with Murayama on Saturday, the officials said.

The government will also dispatch Defense Agency Chief Eto to Okinawa around Nov. 11, the officials said.

The government, however, could have problems persuading Ota as the Okinawan prefectural administration is preparing its own proposal for a major revision of the legal status of U.S. forces in Japan for presentation in talks with Murayama.

The Okinawa Prefecture-proposed draft revision of the Status of Forces Agreement obliges the U.S. to close military facilities if they pose obstacles to local development projects, and it gives local governments the right to enter such facilities when noise or other environmental problems occur, local government sources said.

#### **Local Reaction to Perry's Okinawa Bases Remarks**

*OW0311121795 Naha OKINAWA TIMES in Japanese 2 Nov 95 Evening Edition p 7*

[FBIS Translated Text] Remarks by U.S. Defense Secretary William Perry that "in an emergency, you would all be very glad that U.S. troops are stationed where they are" are causing considerable controversy among people who experienced the Battle of Okinawa and among scholars who have researched the subject. Fifty years ago, the lives of many local residents were lost during the Battle of Okinawa's "iron typhoon" [tetsu no bofu], an experience through which the Okinawans learned that "soldiers never protect the people." Anger has erupted and protests voiced among those who experienced the war because, in their view, Perry's remarks were made under the assumption that there could be a war.

"It makes my blood boil that he could have made such remarks," said Fumiko Nakamura, chief of the secretariat of the campaign to collect documentary film of the Battle of Okinawa. She expressed her anger after learning of the remarks via news reports. She explained the actual situation on Okinawa, where people were forced to make great sacrifices both during and after the war. She said: "The people will not be happy with military bases here. Perry mentions emergencies — why does he have to have war in mind? It is fundamental human nature to think about peace and to lead our lives according to this concept." Thus she criticized Perry, asserting that the ambitions of a superpower were behind his remarks.

Ruri Miyara, who had formerly served in the Himeyuri [Star Lily] Corps [a field hospital nursing corps composed of students and their teachers] and who had lost

many fellow students during the Battle of Okinawa, said bitterly: "I am enraged by such a lack of understanding. The remarks prove that he barely understands the Okinawan people's feelings." She alleged that the defense secretary's remarks indicate that the United States feels Okinawa is still under occupation, because the military bases are still here. She added: "The Okinawan people put their trust in the Japanese military, and that led to a great tragedy. History has shown that soldiers do not protect the people."

People injured during the Battle of Okinawa gathered just last month to reestablish the "Organization of People Disabled in the Battle of Okinawa." The group is seeking government compensation for injuries suffered during the battle. Kiyoshi Kaneji, chairman of the group, criticized the Japanese Government's position, saying: "The Okinawan people will never feel glad about the military bases being where they are. Such remarks are made because the Japanese Government is weak-kneed. The presence of military bases makes things worse, not better."

"Listening to the news last night made my blood boil," said Takashi Oshiro, chief of the secretariat of the Association of Bereaved Families of Victims of Wartime Refugee Vessels. He then lashed out: "It seems Perry is saying whatever he feels like saying, as if the world were headed for an all-out war. Those of us who lost family members in the battle cannot tolerate such remarks." Regarding the Japanese Government's handling of the military base issue, Oshiro stated firmly: "It is the United States, not the Okinawan people, that the Japanese Government has to convince. At this rate, the Japanese-U.S. summit meeting will end by merely redefining the security alliance. We should start a campaign to express opposition to U.S. President Bill Clinton's visit to Japan."

Shinobu Yoshihama, a member of the Okinawa Peace Network, which is promoting peace campaigns by explaining the Battle of Okinawa, reacted to Perry's remarks, saying: "Through the Battle of Okinawa, we have learned the lesson that wherever there are soldiers, there are victims. The people always get pulled into ground battles, whether they like it or not. The remarks show that Perry has learned hardly any lessons from history."

Masaaki Aniya, a professor at the Okinawa Kokusai University who has researched the Battle of Okinawa, said angrily: "Wars break out because military forces exist. It is inverted logic to say that in an emergency, people should be glad that military forces are based where they are. The defense secretary reportedly has been stationed in Okinawa, but he has not seen the



reality of the Okinawan people's livelihood. His remarks reveal his true intentions and are totally unacceptable."

**U.S. Offers Compensation for Okinawa Rape Victim**

OW0311075695 Tokyo KYODO in English  
0719 GMT 3 Nov 95

[FBIS Transcribed Text] Naha, Japan, Nov. 3 KYODO — The U.S. military has offered to pay consolation money to a rape victim and her family in Okinawa, defense lawyers for U.S. servicemen indicted on the charge said Friday [3 November].

The lawyers are discussing the amount to be paid and other details of the offer, made by legal experts of the U.S. Forces in Okinawa, they said.

Individual military personnel involved in crimes and accidents are supposed to assume responsibility for damages payments, with the U.S. Government normally paying a token amount of comfort money.

The unusual damages offer appears to reflect U.S. consideration of the social and political effects the rape incident has had on Tokyo-Washington ties, said Mitsunobu Matsunaga, one of the lawyers for the three U.S. servicemen indicted.

The rape of the schoolgirl in early September touched off furor and demands for reduction in the U.S. military presence in Okinawa, an island prefecture hosting 75 percent of U.S. base facilities in Japan.

**Keidanren Chairman Toyoda on SOFA Review**

OW0311091595 Tokyo ASAHI SHIMBUN  
in Japanese 2 Nov 95 Morning Edition p 3

[FBIS Translated Text] Chairman Shoichiro Toyoda of Keidanren [Japan Federation of Economic Organizations] held a news conference on 1 November. With regard to the Japan-U.S. Status of Forces Agreement [SOFA], Toyoda stated: "It is understandable that SOFA should be reviewed in order to build up new Japan-U.S. relations in the post-Cold War period." In this way, he indicated support for a review of SOFA. Moreover, in commenting on how to handle the SOFA issue, Chairman Toyoda stated: "In consideration of the Okinawan people's feelings, measures showing respect for their intentions should be taken."

**Need To Maintain Security Treaty Assessed**

OW0211155095 Tokyo SANKEI SHIMBUN  
in Japanese 30 Oct 95 Morning Edition p 3

[Article by Atsuyuki Sassa: "This is How I Look at the Japan-U.S. Security Treaty; Defense Expenses Will Be Doubled if we Remove Bases"]

[FBIS Translated Text] Many Japanese people are interested in the Japan-U.S. Status of Forces Agreement [SOFA]. There are growing voices that call for a review of the SOFA's Article 17, Section 5-C, in particular. At the 25 October joint council meeting, both the Japanese and U.S. Governments agreed to a flexible application of the SOFA. The agreement between the two countries does not constitute a SOFA revision, but is strictly for its flexible application. To the United States, however, we can say it is a major "compromise."

Some 35 years have passed since the SOFA was concluded in June, 1960. During this period, situations both home and abroad have changed significantly. Indeed, we sympathize with the feelings of the people in Okinawa, where about 75 percent of facilities and land used by the U.S. forces in Japan are concentrated.

Meanwhile, we cannot avoid debating Articles 5 and 6 of the Japan-U.S. Security Treaty; rather than arguing about taking up the SOFA alone, as long as we realistically maintain Japan-U.S. security arrangements.

Article 5 places the United States under an obligation to defend Japan. On the other hand, Japan, by Article 6, has a responsibility to provide land for the U.S. forces. It is designed in such a way that Japan and the United States keep a balance by having mutual obligations. Because of this, it is possible for USFJ to dispatch troops from bases in Japan in case of emergency in the Far East.

However, it is not true that SOFA was mapped out on the basis of the security treaty. As the SDF [Self-Defense Forces] Act is inadequate in dealing with emergency cases, the SOFA has no provisions for an emergency situation.

At the same time, some degree of reorganization and consolidation of the U.S. military bases is necessary. However, complete removal of the bases is against the national interest. Of late, China's nuclear weapons program is becoming a threat; it is within the realm of thought now that North Korea (DPRK) may use its long-range ballistic missiles to deliver biochemical weapons.

In such circumstances, the U.S. presence in the Far East serves as a deterrent force needed for maintenance of peace. The Japanese people, even though the security treaty was abolished, would seek to arm themselves if possible ballistic missile attacks became a threat to



Japan. If we do not like this, then we should firmly maintain the security treaty and protect the people utilizing the limited military forces that we have.

It is problematic to attempt to escalate the call for the withdrawal of the bases on Okinawa. If the United States withdrew its forces, leaving only enough to deal with an emergency, the SDF would have to fight enemy forces for more than one month, whereas about two weeks of resistance is enough under the current security arrangements, before the main U.S. forces arrive. It is unavoidable that Japan's defense expenses will redouble.

Regarding the security treaty and the SOFA, it is necessary for both countries to have their specialists spend enough time on discussions while taking a long-term, broad view of things before reaching a conclusion.

#### **U.S. Military Official on Okinawa Interviewed**

*OW0311064195 Tokyo KYODO in English  
0606 GMT 3 Nov 95*

["News Focus" by Mie Kawashima: "U.S. Military Curbs, Educates Personnel Following Rape"]

[FBIS Transcribed Text] Naha, Japan, Nov. 3 KYODO — Shortly before midnight, the singer of an Okinawan live-house band told the audience, "well, some people have to go home." But by that time many young men with tattoos and GI haircuts had already stood up in their twos and threes and left.

The U.S. military stationed in the southwesternmost Japanese island prefecture has banned its personnel from entering this amusement area in the city of Okinawa between midnight and 6 A.M.

"We sent a strong message that we will not tolerate misconduct," said Col. Stuart W. Wagner, director of public affairs at the III Marine Expeditionary Force in Okinawa.

One way was by putting the bar district off-limits following the Sept. 4 rape of an Okinawan schoolgirl, for which two marines and a sailor have been indicted.

The rape has infuriated the Okinawan people, and the rage has made the Japanese and U.S. Governments study and discuss expediting local U.S. base cutbacks.

The military put the area off-limits "for the safety of military personnel and the Okinawan citizens" after it had trouble involving servicemen and had tried to improve the situation there for a year, the colonel said in an interview with KYODO NEWS SERVICE.

A bar employee in the restricted area said the off-limits rule has whittled down U.S. customers. Local

proprietors have also said the measure gives the public the impression that their neighborhood is a dangerous area, while the servicemen can still go to bars and discos in other places.

Wagner said, "we doubled our efforts of educating new people that come to the island to ensure that they understand...What they can and can't do. They go through a full day of this."

The education program has been expanded since the rape so that servicemen will have such classes again a few months after they come to Okinawa, he said.

"We can talk and discuss some of the issues about culture and being good neighbors and living in another country, importance of understanding other people," he said. "It is very important for us to have good relations with the Okinawan people."

"It's important not only so that we are good neighbors but it's important because we have a security treaty with Japan. To protect and defend Japan if necessary. We form an alliance with the Japanese Government and thereby with the Japanese people...We are friends."

"What happens in Japan and Okinawa has a consequence in the United States," Wagner said. "You know we all just cannot go home because if we leave then there will be a vacuum and who fills that? And there are countries near Japan that are not friendly."

There are some youngsters in the military who do not listen to what they are taught and "do things they shouldn't do," but the military punishes them if they break the misconduct regulations, said Wagner, a Texan who has been in the Marines for more than two decades.

For example, in a case of fighting between servicemen, the military takes measures such as restricting them to the base, cutting pay and reducing the ranks of the guilty parties, he said.

The military also had a day of reflection in early October where marines and sailors "spent a full day talking about the importance of being good neighbors and talking about the necessity for positive community relations with our Okinawan neighbors."

Since the incident, the Marines have also halted shelling exercises that involved the closure of an Okinawan highway. He declined to say when the military would resume the drills.

"The (rape) case was horrific. Terrible. It was shocking. But I think that it is important to remember that 99 percent of the marines and sailors on Okinawa are professional, competent, outstanding citizens."



He also said there were no prior problems in the records of the three suspects — Navy Seaman Marcus D. Gill, 22, Marine PFC. Rodrico Harp, 21, and PFC. Kendrick M. Ledet, 20 — screened when they came to Okinawa.

The semiofficial military newspaper PACIFIC STARS AND STRIPES reported Sept. 27 that U.S. military people account for 4.2 percent of the local population but they represent 11.5 percent of all people arrested there for serious felonies — murder, rape, robbery and arson — during the last six years.

However, Wagner argued what should be discussed is not arrests but convictions, saying the number of U.S. military personnel in Japan convicted of crimes has dropped 52 percent over the last six years.

As a whole in Japan, there were seven rape cases in 1989 in which U.S. servicemen were convicted, compared with six in 1994, he said, adding that for the Marines in Japan there had not been any other such cases of conviction this year.

"Once we learned of the incident, we cooperated fully with the prefectural police," Wagner said. "We've not only helped them in investigation, but we put the suspects...Behind bars...And we made them available to the police in their investigation...They would go to the police station, back and forth."

Under the 1960 Japan-U.S. Status of Forces Agreement, local Japanese law-enforcing authorities were unable to seize the suspects until they were indicted by Japanese prosecutors Sept. 29, and this initial inability further fueled the Okinawan anger.

In the Manhattan Disco in the off-limits area, almost all customers dancing were GIs and young Japanese women. This and some other discos there now begin operating at 6 P.M., instead of 10 P.M. as before.

#### **MOFA Sought Removal of Nagasaki Peace Notice**

*OW0211162095 Tokyo KYODO in English  
1520 GMT 2 Nov 95*

[FBIS Transcribed Text] Nagasaki, Nov. 2 KYODO — The Ministry of Foreign Affairs [MOFA] wanted Nagasaki city's peace declaration removed from documents the mayors of Hiroshima and Nagasaki will present at the International Court of Justice hearings on the legality of nuclear weapons at The Hague in the Netherlands, informed sources said Thursday [2 October].

The sources said Nagasaki officials at first agreed to the demand, but later retracted their decision and on Thursday requested the reinclusion of the declaration in the documents, arguing that it will supplement

statements to be made by Nagasaki Mayor Itcho Ito to the court.

The court has invited a number of states to make presentations on the question of whether the use or threat of nuclear weapons violates international law, in response to requests from the World Health Organization and the UN General Assembly.

The Nagasaki city's declaration states that Japan should clearly stress at the court that the use of nuclear weapons is against international law.

Nagasaki officials said the declaration is contained, together with photos and other data, in an English-language synopsis of the damage done to the city and Hiroshima by the atomic bombs in the closing days of World War II in 1945.

Foreign ministry officials contacted city officials Oct. 26 and told them there was a risk that the documents could not be tabled at the court if they included the declaration, the sources said.

Tatsuya Ito, head of the Nagasaki International Culture Hall, an institution funded by the city to convey to the world the damage done by the atomic bomb, said the city is determined to express its opinion that nuclear weapons are illegal.

"We're still trying to persuade the Foreign Ministry to include it," Ito said.

#### **Nagasaki Mayor To Argue Nuclear Arms' Illegality**

*OW0311130595 Tokyo KYODO in English  
1113 GMT 3 Nov 95*

[FBIS Transcribed Text] Nagasaki, Nov. 3 KYODO — Nagasaki Mayor Itcho Ito will argue before the International Court of Justice (ICJ) next week that the use of nuclear weapons violates international law, ignoring the Japanese Foreign Ministry's request to avoid making such a statement.

Ito said Friday [3 November] he has sent to the ministry the final draft of his scheduled statement to the so-called World Court in The Hague, the Netherlands, that includes the view.

Ito will testify as a Japanese Government witness in a court hearing next Tuesday.

The Japanese Government's statement, released by the court Thursday, stops short of referring to the legality of nuclear weapons use but states that nuclear warfare is "contrary to the spirit of humanity that gives international law its philosophical foundation."



Ito has the final authority for deciding on the text for his testimony and no changes are expected, officials of the municipal government said.

The mayor is scheduled to leave Japan for The Hague on Saturday and to make a 30-minute presentation of his view at the court Tuesday, displaying panels depicting Nagasaki immediately after its A-bombing Aug. 9, 1945.

Under pressure from the Foreign Ministry, Ito earlier backed down somewhat, saying his statement would be "indirect," given that he will be serving as a government witness, although he would try to refer to the illegality of nuclear weapons by every means possible.

However, Chief Cabinet Secretary Koken Nosaka said Thursday he has instructed the Foreign Ministry not to intervene over the drafts prepared by Ito and Hiroshima Mayor Takashi Hiraoka, who will also testify at the hearing, sparking Ito to revive his original draft.

"I stuck to my stance that I want to make a statement (about the illegality of nuclear weapons), although consultations with the government, which holds an entirely opposite view, were very difficult," Ito said.

The world court on Monday began hearing UN member states' views on whether or not the use of nuclear weapons in a military conflict violates international law after the World Health Organization and the United Nations asked the court for an advisory opinion on the matter.

#### **Vice Minister Rules Out Revision of BOJ Law**

*OW0211104195 Tokyo KYODO in English  
0942 GMT 2 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 2 KYODO — Revision of the Bank of Japan (BOJ) Law is not necessary at present, Vice Finance Minister Kyosuki Shinozawa said Thursday [2 November].

"The present Bank of Japan Law has no flaws in terms of supporting the central bank's role of maintaining credit order in Japan," Shinozawa told a news conference.

"As the law functions as intended, I don't see any need to revise it," he added.

The NIHON KEIZAI SHIMBUN newspaper reported Thursday that the ruling coalition is considering a drastic revision of the Bank of Japan Law as a way to deal with changing economic conditions in Japan, such as rapid financial liberalization and the recent series of banking failures.

The major economic daily said the ruling coalition is considering increasing the number of members at the

BOJ's policy-setting council and devising ways to make it more transparent.

The coalition will also propose that the BOJ is given more supervisory authority over commercial financial institutions, the paper said.

The BOJ law has basically remained intact since its creation in 1942.

On the business improvement plan recently crafted by the scandal-ridden Daiwa Bank as a means of reinforcing its in-house inspections, Shinozawa said the ministry has ordered the bank to submit another version.

The ministry judged that the original plan insufficiently addressed problems surrounding the trading loss scandal, including forgery of documents to cover up the losses, Shinozawa explained.

A Daiwa Bank trader at its New York branch racked up \$1.1 billion of losses in Treasury securities trading over the past 11 years. The bank, as well as the trader, is alleged to have played a role in covering up the loss.

"The scandal has many implications to be addressed," Shinozawa said.

#### **Finance Ministry Punishes Daiwa Bank**

*OW0311063095 Tokyo KYODO in English  
0512 GMT 3 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 3 KYODO — The Finance Ministry on Friday [3 November] slapped a series of punitive measures on Daiwa Bank, including a prohibition for it to open new overseas offices, following a U.S. Federal Reserve Board [Fed] order that it terminate its banking operations in the United States.

The ministry said it imposed the punitive measures due to a 1.1 billion dollar loss from unauthorized U.S. Treasury securities trading by a trader at the bank's New York branch and the "inappropriate business operations" subsequently taken by the bank's management.

Yoshimasa Nishimura, director general of the ministry's banking bureau, told a news conference, "this incident began with a scandal by an individual, but subsequently the bank's inappropriate business operations were pointed out."

Nishimura was apparently referring to the alleged instructions the bank's management gave to the trader, Toshihide Iguchi, to delay the disclosure of the incident after he confessed July 24 to racking up the losses and hiding them by fabricating financial records.

The Fed said that when the bank learned about the losses from Iguchi's letter of confession, the management at



Daiwa headquarters and its New York branch ordered Iguchi to continue hiding the losses from U.S. banking regulators for two months, while ordering him to continue securities deals designed to avoid the disclosure of the losses.

Nishimura also indicated that the ministry's notification of the incident to U.S. federal banking regulators was delayed due to an inability to recognize that U.S. regulators would attach great importance to the disclosure of problems involving a financial institution.

The ministry "should have taken into consideration the characteristic attitude of the region's (people), as the incident took place in the United States," he said.

The ministry has been severely criticized for not notifying the Fed of the losses until 41 days after then Daiwa President Akira Fujita told Nishimura on Aug. 8 that the trader racked up the 1.1 billion dollar loss.

The ministry's punitive action follows a Fed announcement late Thursday that it has ordered the bank to terminate its U.S. operations within 90 days due to the illegal falsification of its books and the response of bank management to the disclosure of the fabrications.

The ministry's disciplinary measures include an order for the bank to whittle down the balance of its loans to international borrowers extended through both the bank's Japanese and overseas branches, as well as an order to shrink the balance of securities related to its international operations held by these branches.

Other measures include an order for the bank to shrink its market-related operations, such as bond trading, at overseas branches, as well as an order for the bank to work out and submit to the ministry a plan to reduce the number of its overseas branches and enhance its supervisory system for traders.

Iguchi was arrested by the Federal Bureau of Investigation (FBI) in late September on charges of falsifying Daiwa Bank's books and records to conceal the huge loss from his superiors and U.S. banking regulators.

In a U.S. court hearing in New York on Oct. 19, he pleaded guilty to the charges.

In another key move Thursday, the U.S. attorney's office and the FBI announced a 24-count indictment of Daiwa and the arrest of Masahiro Tsuda, former general manager of Daiwa's New York branch.

The indictment charged Tsuda with conspiracy with Iguchi to deceive the Fed by hiding the losses and fabricating the financial records.

In a related development in Osaka, Daiwa President Takashi Kaiho told a news conference at the bank's

headquarters the bank will pull out all of its U.S. branch offices by Feb. 2 in accordance with the Fed order.

"The series of incidents (at the New York branch) have points about which we should repent deeply," said Kaiho, who only three weeks ago took over the bank's presidency from his predecessor Fujita. Fujita resigned to take the blame for the incident.

Calling the bank's indictment by the federal authorities "very inappropriate," Kaiho said, "our bank is the sole victim of the illicit transactions by Iguchi...We will respond with a firm attitude."

Asked about the Fed allegation that senior management ordered Iguchi to cover up the losses after his written confession, Kaiho said, "we did not have any intention of covering it up, but our knowledge and interpretations of U.S. laws were somewhat insufficient."

He said Daiwa will link up with Sumitomo Bank and have Sumitomo provide banking services to its customers on behalf of Daiwa.

Asked whether his bank is ready to merge with Sumitomo, Kaiho replied, "for the time being, there will not be any moves toward a merger, but we can envision (as a possible merger partner) Sumitomo Bank."

In a separate news conference in Osaka, Sumitomo Bank President Toshio Morikawa said, "if momentum for a merger arises, it is possible...When an incident threatens to affect the entire (Japanese) banking community, it is not a rare move for business companies to cooperate."

Yoshifumi Nishikawa, Sumitomo's senior managing director, indicated at a news conference at the Bank of Japan in Tokyo that Sumitomo may buy the U.S. branch offices of Daiwa, saying Daiwa "may turn over a part of their assets to us."

Daiwa is closing its New York-based wholly owned subsidiary, Daiwa Bank Trust Co., and its planning office, in addition to the bank's own 17 U.S. branch offices, Daiwa officials said.

Kaiho also said the bank will slash the bank's workforce from the current 9,600 to 7,000.

In Tokyo, Finance Minister Masayoshi Takemura issued a press statement in which he expressed "deep regret" over both the illegal activities of the trader and the bank management's subsequent "inappropriate business operations," which he said caused the Fed to take the harsh punitive action.

Takemura indicated further punitive measures may be imposed by the ministry if an ongoing U.S. investigation leads to the uncovering of additional problems at the bank.



"If further problematic actions are unveiled when the entire details of the incident come to light, the ministry will respond strictly in accordance with relevant laws," he said.

Ministry sources said such additional punitive measures will be taken if the probe by U.S. federal investigators uncovers the alleged involvement in the incident of senior managers at the bank's Osaka headquarters.

Takemura pledged to take "all the measures needed to preserve Japan's financial system" in coordination with the Bank of Japan (BOJ), in apparent reference to the incident's possible negative impact on the operations of other Japanese financial institutions.

He vowed to take measures to secure flagging "domestic and international confidence in Japan's financial policy administration."

The remark was made apparently in response to criticism of the ministry's delay in alerting the Fed to the Daiwa loss.

In a related move, BOJ Governor Yasuo Matsushita said the BOJ is ready to act to provide emergency cash to Japanese financial institutions if they face difficulties in raising funds in overseas money markets as a result of weakened confidence in the health of the Japanese institutions.

In a press statement, Matsushita said, "when the need arises, the central bank will take all the (necessary) measures such as providing liquidity."

He urged Japanese and foreign financial market players to "respond coolly" to the Fed action against Daiwa.

His statement apparently reflects Japanese banking regulators' concern about the "Japan premium" issue, under which Japanese financial institutions are required to pay a risk premium in borrowing overseas, in addition to ordinary interest rates which their U.S. and European counterparts are required to pay.

He also pledged that the central bank will "enhance the inspection and monitoring of the overseas business bases of Japanese banks in coordination with overseas financial authorities."

He said the BOJ takes the fed action "solemnly" and will urge Daiwa Bank to respond in an orderly manner in line with the U.S. punitive measures.

#### **Highlights of Punitive Measures Against Daiwa**

*OW0311073495 Tokyo KYODO in English  
0655 GMT 3 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 3 KYODO — The following are the highlights of a set of puni-

tive measures ordered by the Finance Ministry against Daiwa Bank in connection with the 1.1 billion dollar U.S. Treasury securities trading loss at its New York branch.

It ordered Daiwa to:

- Streamline and curtail its overseas business bases and conduct an overall review of its operations.
- Rationalize market-related activities such as overseas bond trading and enhance supervision of such activities.
- Strengthen in-house inspection regime over its overseas branches.
- Establish sound practices for management and disposition of overseas trust properties.
- Work out and submit a plan to comply with the above-mentioned orders by Jan. 15, 1996.
- Suspend establishing new overseas branches until it is deemed to have sufficiently strengthened internal control regime.
- Suspend making any new overseas trust contracts as a trustee, until it is deemed to have established sufficiently enhanced internal control regime.

In addition to the above instructions, the ministry ordered Daiwa to comply with the following orders by the end of October 1996 in accordance with a separate plan, which Daiwa is required to submit by Nov. 20.

Daiwa is obliged to:

- Reduce the amount of outstanding loans and securities holdings related to international operations conducted at its domestic and overseas branches.
- Reduce market-related operations, such as bond dealing, at its overseas branches.

#### **Chronology of Daiwa Bank Trading Loss Scandal**

*OW0311120695 Tokyo KYODO in English  
1023 GMT 3 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 3 KYODO — The following is a chronology of developments concerning Daiwa Bank's 1.1 billion dollar trading loss.

July 24 — Daiwa Bank President Akira Fujita receives a letter from New York branch trader Toshihide Iguchi confessing to huge losses in U.S. Treasury securities trading. (Iguchi was fired Sept. 25.)

Aug. 8 — Fujita holds informal meeting with Yoshi-masa Nishimura, director general of the Finance Ministry's Banking Bureau, and tells him of the trading loss at New York branch.



Sept. 8 — Daiwa Bank formally informs the Finance Ministry of the loss incident. At the same time, the bank notifies the U.S. Federal Reserve (Fed) of the problem.

Sept. 23 — The U.S. Attorney's Office for New York and the Federal Bureau of Investigation (FBI) arrest Iguchi on suspicion of falsifying records.

Sept. 26 — Fujita makes it public that the bank incurred about 1.1 billion dollars in losses from unauthorized bond transactions by Iguchi.

Oct. 2 — The Fed and the New York State superintendent of banks order Daiwa to cease part of its bond trading in New York.

Oct. 9 — Fujita resigns to take responsibility for the problem. Takashi Kaiho, vice president, is promoted to president. Sumio Abekawa, chairman, says he will resign by next March. Daiwa Bank Trust Co., a New York-based wholly owned affiliate of Daiwa Bank, announces a 97 million loss in off-the-book trading over a three-year period from 1984.

Oct. 16 — The U.S. House of Representatives Banking and Finance Committee holds a hearing on Japan's banking situation.

Oct. 18 — Individual Daiwa shareholders announce a plan to file a lawsuit against the bank's executives, seeking compensation for 1.1 billion dollar loss.

Oct. 19 — Iguchi, appearing in a New York federal court, pleads guilty and accuses at least two senior Daiwa managers of urging him to continue hiding the 1.1 billion dollar loss.

Oct. 31 — Daiwa Bank submits to the Finance Ministry a plan to improve its management and supervision of traders.

Nov. 2 — The Fed orders Daiwa Bank to terminate all its U.S. operations within 90 days. The U.S. Attorney's Office and the FBI announce a 24-count indictment against Daiwa Bank and the arrest of Masahiro Tsuda, former general manager of the bank's New York branch.

Nov. 3 — Daiwa president Kaiho announces the bank's withdrawal from the U.S. and Sumitomo Bank's takeover of its U.S. operations.

#### **Daiwa Likely To Seek Merger With Sumitomo Bank**

OW0311124195 Tokyo KYODO in English  
1127 GMT 3 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 3 KYODO — The scandal-tainted Daiwa Bank is likely to seek a merger with Sumitomo Bank by strengthening cooperation with it, industry sources said Friday [3 November].

Such a move may be unavoidable for Daiwa Bank's survival because its business basis will be substantially weakened by punitive action taken by U.S. banking authorities in connection with its huge trading loss in the United States, the sources said.

Daiwa Bank said Friday it will withdraw from all U.S. operations in response to an order from U.S. federal and state regulators.

Daiwa Bank also said it will link up with Sumitomo Bank to have the major commercial bank provide banking services to its U.S. customers on its behalf.

The U.S. banking authorities said Thursday they have ordered Daiwa Bank to terminate all its U.S. operations, alleging a bank cover-up following a 1.1 billion dollar loss at its New York branch through unauthorized bond trading.

Some industry sources noted that one of Daiwa Bank's options for survival would be formation of an alliance with Nomura Securities Co.

If a stockholding company system is allowed for the financial sector through new legislation, it could open the way for Daiwa Bank to merge with Nomura Securities, they said.

Nomura Securities currently holds an equity stake of 3.3 percent in Daiwa Bank, while the bank has a 2.3 percent in Nomura, Japan's largest securities house.

Leaders of both Daiwa Bank and Sumitomo Bank on Friday indicated a positive stance toward a merger of the two banks in the future.

At a news conference, Daiwa Bank President Takashi Kaiho said, "For the time being, there will not be any moves toward a merger, but we can envision (as a possible merger partner) Sumitomo Bank."

Sumitomo Bank President Toshio Morikawa told a separate press conference that if momentum for a merger arises, it would be possible. "When an incident threatens to affect the entire banking community, it is not a rare move for business companies to cooperate," Morikawa said.

Banking industry sources said Sumitomo Bank moved to tie up with Daiwa Bank apparently to acquire 15 U.S. operation footholds Daiwa Bank purchased from Lloyds Bank of Britain in 1990.

The 15 offices have been enjoying favorable earnings growth, mainly through financial deals with medium-sized companies, they said.

But industry analysts said it is uncertain whether Sumitomo Bank will be able to purchase the 15 outlets in the course of the projected merger with Daiwa Bank.



Since such a merger would essentially pave the way for Daiwa Bank to return to U.S. business, U.S. banking authorities might prohibit the bank from selling the 15 offices to other Japanese institutions, they said.

Industry sources said Sumitomo Bank is also interested in Daiwa Bank's strength in deals with small and medium-sized companies in Asia.

Furthermore, Daiwa Bank has universal banking functions, adding to its attractiveness as a merger target for Sumitomo Bank, they said.

Daiwa Bank is the only city bank that can provide banking and trust services concurrently, and it has Cosmo Securities Co. as its brokerage unit.

But the sources said the antimonopoly law may surface as a hurdle in possible merger steps between Daiwa Bank and Sumitomo Bank.

The two banks, both headquartered in Osaka, are based mainly in the Kansai region, and a merger would substantially boost the share of the merged bank in lending and other services in western Japan, they said.

A Daiwa Bank executive official, meanwhile, suggested the possibility of the bank seeking to expand cooperation with Nomura Securities.

One of the options for Daiwa Bank is to strengthen the relationship with Nomura with an eye to a possible lifting of the ban on stockholding companies in the financial sector, he said.

#### **Poll Shows 43 Percent Support Hashimoto's LDP**

*OW0311081295 Tokyo ASAHI SHIMBUN  
in Japanese 1 Nov 95 Morning Edition p 2*

[FBIS Translated Text] According to an ASAHI SHIMBUN nationwide opinion poll taken over two days on 29 and 30 October, the approval rate for the Liberal Democratic Party [LDP] is 43 percent, up from the previous rate of 40 percent in September. This is the highest support rate figure for the LDP in ASAHI SHIMBUN polls since the 1993 party split. The New Frontier Party's support rate is 19 percent, remaining at about the same level as the previous poll's 20 percent. The Social Democratic Party of Japan's support rate, which is 14 percent, is unchanged. The approval rate for New Party Sakigake [Harbinger] dropped to 7 percent from the previous 9 percent.

During the period in which the LDP was an opposition party, the party's support rates had been between 30 to 35 percent. The rate was 32 percent in an ASAHI SHIMBUN September 1993 poll, taken right after the party split. After the inauguration of the Murayama administration, the LDP's support rates have gone up

to some degree, rising slightly from between 35 to 39 percent. The latest poll, taken about one month after Ryutaro Hashimoto's inauguration as LDP president, shows that "President Hashimoto's election" boosted the party's support rate.

By occupational categories, the support rate for the LDP among individual proprietors and commercial and industrial business operators increased to 52 percent from the previous 45 percent. By age groups, the support rate is high for those over 60. The LDP is supported by 53 percent of women over 60.

#### **Murayama on 'Determination' To Pass Religious Law**

*OW0211111095 Tokyo KYODO in English  
0348 GMT 2 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 2 KYODO — Prime Minister Tomiichi Murayama called Thursday [2 November] for early enactment of the proposed revision of the law governing religious organizations as the House of Representatives Ad Hoc Committee on Religious Organizations started discussions on it.

Murayama, answering a question from Sadatoshi Ozato of the Liberal Democratic Party, expressed determination to have the bill passed by the current Diet session scheduled to end Nov. 13.

The prime minister said public calls for stricter control over religious bodies have intensified in the wake of a series of crimes involving the Aum Shinrikyo religious sect, which was accused of making a sarin gas attack against Tokyo subways March 20.

The country's main opposition party, Shinshinto (New Frontier Party) which is backed by Soka Gakkai, a major lay Buddhist group, has criticized the proposed revision, saying it would lead to a violation of the constitutionally guaranteed freedom of religion. But a minor opposition party, the Japanese Communist Party, is in favor of the revision.

Murayama said the government assumes the responsibility of responding to the public opinion, adding the religious corporation law should be revised.

He also said that the proposed amendment is not aimed at curbing a specific religious group or a political party.

Among the bill's measures is a requirement for religious organizations to report details of their financial affairs to government authorities.

Under the bill, the education minister rather than prefectural governors would have jurisdiction over religious groups that operate in more than one prefecture.



During Thursday's session, Education Minister Yoshinobu Shimamura said the transfer of jurisdiction does not mean stronger powers for the education minister.

He said the Education Ministry will not reexamine or revoke the authorization of any religious corporation which is transferred to the jurisdiction of the education minister [from] that of a prefectural governor.

The issue of whether to revise the law has been in the spotlight since a series of crimes allegedly committed by the religious group Aum Shinrikyo rocked the nation earlier this year.

On Thursday afternoon, Shinshinto legislators will question the government.

Shinshinto demanded anew that the minutes of the meetings of a government council which drafted a report urging the revision of the law should be submitted to the committee, questioning the fairness of the process of discussions at the council.

But the government refused, citing the need to keep faith with the council members.

Murayama and Shimamura said the closed meeting of the council was necessary to protect the privacy of the members, adding the contents of the debates were released to the press after every session.

#### **SDPJ Decides To Join New Party Forum**

*OW3110140495 Tokyo KYODO in English*  
*1336 GMT 31 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 31 KYODO — Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) decided Tuesday [31 October] to join a preparatory forum for launching a new party, while trying to also create conditions for the early participation of New Party Sakigake [Harbinger], party officials said.

The SDP's Central Executive Committee, in a special meeting, agreed to continue courting Sakigake and other center-to-left Diet blocs as possible partners in the new party project.

The SDP wants to launch the planned new party as early as possible, although the committee failed to set a definite target date, the officials said.

It remains unclear whether the new party will materialize by the end of November as SDP Secretary General Wataru Kubo has urged.

The executive committee has been debating whether the SDP should proceed alone on the new party scheme since it became clear that Sakigake, the smallest com-

ponent of the three-party ruling coalition which also includes the SDP and the Liberal Democratic Party, has no intention to merge with the SDP to form the proposed new party for the time being.

The committee's decision leaves "unoccupied chairs" for Sakigake and other potential allies that the SDP expects to come under the new party flag at an early date.

Kubo said earlier Tuesday his party is putting the proposed alliance with Sakigake on hold and instead is prepared to form the new party independently.

In a meeting with SDP-backed labor union leaders, Kubo said time is running out for the SDP to make a make-or-break decision on the new party.

#### **Murayama Eyes Continued Talks With Sakigake**

*OW0211104695 Tokyo KYODO in English*  
*0931 GMT 2 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 2 KYODO — Prime Minister Tomiichi Murayama, chairman of the Social Democratic Party (SDP), said Thursday [2 November] he expects talks to continue with New Party Sakigake [Harbinger] over the setting up of a new joint party.

At a ceremony held at the party's headquarters to commemorate the SDP's 50th anniversary, Murayama said he wishes to continue negotiations among the heads and secretaries general of the two coalition partners over the project to form a new party.

The SDP, which plans to dissolve itself and launch a new "liberal" party, is courting participation by other center-to-left Diet blocs, in particular, Sakigake, the smallest component of the ruling coalition with the SDP and the Liberal Democratic Party.

But Sakigake has made clear its reluctance to merge with the SDP to form a new party, although Sakigake head and Finance Minister Masayoshi Takemura has been named as a possible leader of the new bloc.

Murayama, while stressing the urgency of the project, underscored his desire to join with Sakigake in inaugurating the new political body.

SDP Secretary General Wataru Kubo, however, made it clear at the ceremony he thinks time is running out for the project, saying the general election was approaching rapidly.

Kubo, a long-standing advocate of party reform, did not attempt to mask the difference between his stance and that of his more cautious and consensus-oriented boss.



Murayama said the basic tenets of the new party should be pragmatic pro-constitutionalism, social democracy and global citizenship.

"We need the cooperation and advice of a number of people who epitomize the mood of the times if we want to make the new party a success," he said.

He also underlined the need for a metamorphosis of the old SDP, saying, "we, the children of the old regime, should change and renew ourselves."

Kubo, for his part, said, "the SDP has not reached the point where it has played out its historic role, but rather, it should be raising the curtain on a new stage."

The party should aim to be one of the two poles of Japanese politics, because the new single-seat electoral system is expected to pave the way for a bipolar structure, he said.

The SDP plans to set up next week a task force to prepare for the new party, but a solid consensus within the party over the timeframe and other details of the project has yet to emerge.

### North Korea

#### KPA Demands Payment From U.S. for Remains

SK0311153895 *Pyongyang KCNA in English*  
1525 GMT 3 Nov 95

["Statement of Panmunjom Mission of KPA on MIA Issue" — KCNA headline]

[FBIS Transcribed Text] Panmunjom, November 3 (KCNA) — The Panmunjom mission of the Korean People's Army (KPA) issued a statement today on the discovery and disinterment of remains of U.S. soldiers.

The statement says:

It is two years or more since an "agreement on the issue of remains" was adopted between the DPRK and U.S. militaries, thanks to the humanitarian position of the DPRK Government.

When we adopted the agreement on August 24, 1993, we expected that the discovery and delivery of the remains would help heal the war wounds and promote mutual confidence.

Under the agreement, the Korean People's Army side was obliged to discover and unearth the remains of U.S. soldiers buried in the areas North of the Military Demarcation Line and deliver them to the U.S. side, while the U.S. Army side was obliged to render necessary support to help toward the discovery, disinterment and delivery of the remains conducted by the KPA side.

It is not easy to unearth the remains because it is more than 40 years since the ceasefire in Korea, the DPRK and the U.S. have been technically at war and the U.S. maintains a hostile policy toward the DPRK.

The KPA side, however, has made every sincere effort to implement the agreement since it was adopted.

The KPA side formed survey teams with authoritative doctors and experts and mobilized many people, facilities and materials. It has discovered a total of 208 sets of remains of U.S. soldiers, especially 162 sets since 1993, and delivered them to the U.S. side.

Quite a few bodies of them could be identified with ease because they had perfect skeletons, military scrips including name and military numbers, and family pictures.

Among them are Charles J. Brown (ra 12308455), Henry D. Connell (ra 11198679), Howard Beard, Jr. (us 55197372), Pilot Robert W. Jones (af 6959785), William R. Adams (o 2262254), George W. Conklin (ra 12286643), Harold P. Haugland (ra 19350144) and Charles H. Long (us 55264319).

The U.S. Army side expressed thanks, admitting that the KPA side discovered many sets of remains with scientific means and delivered them with sincerity.

However, the U.S. Army side never fulfilled its obligation to render necessary support to the discovery and disinterment of remains of U.S. soldiers. On the contrary, it is trying to use this humanitarian issue for its political purposes.

The U.S. Army side is ignoring our side's humanitarian efforts and sincerity, claiming "it is impossible to confirm" the detailed documents it received from our side concerning persons and equipment mobilized in unearthing and delivering many sets of U.S. soldiers' remains, houses and farmland damaged by the unearthing of remains, etc.

Worse still, it has intentionally dragged on the identification of some of the sets of remains it had already taken over and has not given them to their families. The remains can be identified easily because their military scripts, pictures and evidences are clear and bones remained perfect.

What is more serious is that the U.S. Army side has delayed the solution to the issue by politicizing it, claiming that "it cannot pay unless the North Korean side agrees to joint exhumation."

We have invested a large amount of money in unearthing and repatriating U.S. Army soldiers' remains. So, it is only too natural that the U.S. side should pay



and it is also clear that only so we can make joint exhumation or continue unearthing remains.

It is a brigandish act that the United States, which has continued economic blockade against our country for scores of years, has refused to pay for our unearthing U.S. soldiers' remains.

If the U.S. army side persistently refuse to pay, bringing forward a matter which was not mentioned in the "Agreement on the Issue of Remains," we will have no other choice but to dissolve the already organized working group for remains and discontinue the implementation of the agreement.

Then, it will be the U.S. Army side that blocks the way of resolving the issue of remains.

If the U.S. Army side, though belatedly, pay adequately for remains it has taken over from us, we are willing to discuss "joint exhumation" and other matters of U.S. concern.

#### **Paper Demands U.S. Forces Withdrawal**

SK0311090395 *Pyongyang KCNA in English*  
0816 GMT 3 Nov 95

["Military Bases for Aggression Must Be Dismantled" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 3 (KCNA) — Some time ago, the U.S. Secretary of Defense Perry, blared that there is a need to keep U.S. forces in Japan, clamouring about the fictitious "military threat" from the DPRK, according to a report.

Another report said that U.S. assistant secretaries of defence and state at hearings of the U.S. House of Representatives opposed the reduction of the U.S. Forces in Japan.

Commenting on this fact, MINJU CHOSON today says this is a heinous challenge to the trend of the times toward disarmament and peace.

The news analyst goes on:

The United States is trying to realize its wild ambition for domination with ease by taking hold on Japan militarily and making use of its military and economic potentials.

Moreover, Japan is becoming a more important area in the U.S. military strategy for world supremacy, the main point of which is regional strategy after the end of the cold war, and which is legally guaranteed by the U.S.-Japan "security treaty". That is why the United States is trying to further strengthen the U.S.-Japan "security treaty" and militarily take hold on Japan for an indefinite period.

The Japanese reactionaries are taking an active part in such moves of the United States. By allowing the stationing of the U.S. Forces in Japan, they intend to make the impression that Japan is exposed to military "threat" from outside, justify their manoeuvres for military power and, furthermore, realize their ambition for overseas aggrandizement in line with the U.S. military strategy.

The U.S. forces and military bases in Japan are the basic factor aggravating the situation on the Korean Peninsula and in the Asia-Pacific region and wrecking peace and security there.

There is no pretext and reason for the United States to keep its military bases for aggression and its forces in the Korean Peninsula and its vicinity after the end of the cold war.

The United States must clearly see the trend of the times, withdraw its aggression forces from other countries including the Korean peninsula and dismantle its overseas military bases for aggression at once.

#### **UN, U.S. Should Allow 'New Peace Mechanism'**

SK0311115195 *Pyongyang KCNA in English*  
0750 GMT 3 Nov 95

["U.N. Should Dissolve 'UN Forces Command' and Get All Foreign Troops Withdrawn From South Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 3 (KCNA) — Guy Dupre, secretary general of the International Liaison Committee for Reunification and Peace in Korea, made a speech at a meeting of the Special Commission of Non-Governmental Organisations for the Disarmament in the United Nations on October 19.

He said that there is no guarantee for durable peace and security in Korea and the Korean question has not yet been settled, though it is 50 years since World War II ended and the UN Charter was published.

The United Nations has been used as a tool of war, a tool of executing the U.S. policy toward Korea, not a tool of peace in Korea, he noted, and stressed:

The United Nations should respect its charter, act in conformity with the basic mission and make positive contributions to the preservation of peace and to the solution of the disarmament issue.

It should dissolve the "UN Forces Command" in South Korea and get all outside forces under the UN flag withdrawn from South Korea in the spirit of the resolution of the 30th session of the UN General Assembly adopted in 1975.



The United Nations, which is responsible for the Korean question, should make substantial contributions to ensuring a durable peace and realizing disarmament, the nuclear disarmament in particular, on the Korean Peninsula.

At the same time, the United States, which is directly responsible for the Korean question, should respect the will and desire of the Korean people for national unity and reunification, honestly implement the DPRK-U.S. framework agreement and respond to the proposal of the Democratic People's Republic of Korea for establishing a new peace mechanism on the Korean Peninsula.

#### **U.S. 'Aerial Reconnaissance' Missions Reported**

*SK0111044195 Pyongyang KCNA in English  
0418 GMT 1 Nov 95*

["More Than 200 Aerial Reconnaissances of DPRK Made" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 1 (KCNA) — The U.S. imperialists conducted more than 200 aerial reconnaissances of the Democratic People's Republic of Korea day and night in October by concentrically mobilizing reconnaissance planes of different missions deployed in their bases in Japan and South Korea, according to military sources.

U-2 high-altitude strategic reconnaissance plane committed aerial photographing and electronic espionage on 34 occasions in October.

On October 23 and 25 the U.S. imperialists made electronic and photographing reconnaissances of the whole areas of the North as well as its seas and bottom of the seas by letting the overseas-based RC-135 strategic reconnaissance plane and P-3 patrol plane fly for long hours in the skies above the areas adjacent to the Military Demarcation Line and above the sea off Kangnung on the East Sea of Korea [Sea of Japan].

On October 26 high-altitude strategic and tactical reconnaissance planes, electronic warfare helicopters, twelve in all, committed concentric espionage on the front areas and east and west coastal areas of the North.

#### **Papers View 'Triangular Military Alliance'**

*SK0311044295 Pyongyang KCNA in English  
0438 GMT 3 Nov 95*

["Triangular Military Alliance Under Fire" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 3 (KCNA) — Papers here today hit out at the aggressive U.S.-Japan-South Korea triangular military alliance that is heading towards Cold War.

The United States, Japan and the South Korean puppets are now rushing headlong along the road of further consolidating the system of triangular military alliance under the pretext of countering the alleged "threat" and "factor of instability", says NODONG SINMUN in a by-lined article.

It continues:

Consolidation of the U.S.-Japan-South Korea triangular military alliance goes against the requirements and trend of international situation. The Cold War has ended and detente and military non-alignment has become a mainstream.

The alliance is a result of the United States' Korea policy, its anti-socialist strategy and its policy of aggressive military alignment, based on strength.

They are intending to carry into practice their ambition, not realized in the Cold-War era, today when the Cold War has been terminated.

The alliance is aimed at aggression and war. Therefore, it is as clear as noonday that its consolidation will endanger peace and security on the Korean peninsula and in Northeast Asia and reorient the universal situation to the Cold War.

If the United States, Japan and South Korea truly hope for the smooth implementation of the DPRK-U.S. framework agreement, the resumption of North-South dialogue and improvement of relations, they must renounce the triangular military alliance targeting the DPRK.

But, the United States and Japan, regardless of the end of Cold War, are pressing ahead with the alliance, talking about "case of emergency on the Korean peninsula" and "security in Northeast Asia", while the South Korean puppets are actively joining it, crying for "joint strategy against the North" and "cooperation system".

The DPRK inevitably has to increase its self-defensive capabilities as long as the manoeuvrings for the alliance aimed at stifling the DPRK militarily continue.

MINJU CHOSON in a by-lined commentary underlines that the attempt to stifle the DPRK with strength is absurd. It warns that the United States, Japan and the South Korean puppets must behave with discretion, not misjudging the DPRK.



**Paper Comments on 1965 ROK-Japan Agreement**

SK0311044495 *Pyongyang KCNA in English*  
0442 GMT 3 Nov 95

["True Color of Pro-Japanese Traitor Brought Into Bolder Relief" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 3 (KCNA) — The South Korean people are now calling for the revision of the humiliating "agreement" concluded between South Korea and Japan in 1965. The Kim Yong-sam group, however, are claiming that it cannot be rewritten because "it has been the basis of South Korea-Japan relations in the past 30 years."

In a commentary NODONG SINMUN today says this is indicative of the flunkeyist and treacherous nature of those trying to prolong their days.

The "agreement", in the final analysis, is a humiliating, treacherous and aggressive one the Japanese militarists concluded with the South Korean puppets for a criminal purpose of reinvading South Korea, becoming colonial dominators again and, with South Korea as the springboard, realising their expansionist design on the whole of Korea and other countries of Asia, the paper says, adding:

The Kim Yong-sam group are blaring that "it is not necessary to be deterred by the past in relations with Japan" and "it is important to have future-oriented relations." In this way, they are chilling the growing anti-Japanese feelings of the people, keeping the crime-woven history of Japanese imperialism into oblivion and tightening the political and military tieup with the Japanese militarist forces.

They, who are the first target of the South Korean people's struggle, are resorting to pro-U.S., pro-Japanese flunkeyist and humiliating acts to find a way out. But the traitors, estranged from the people, have no outlet.

**U.S., ROK Stage 'Joint Aerial War Game'**

SK0311045995 *Pyongyang KCNA in English*  
0457 GMT 3 Nov 95

[FBIS Transcribed Text] Pyongyang, November 3 (KCNA) — The U.S. imperialists and the South Korean puppets on Oct. 31 and Nov. 1 staged a joint aerial war game against the North as part of the "Foal Eagle 95" war exercises, according to military sources.

The war game was staged in the skies above Tokjok and Taehuksan islets in the Korean West Sea with the purpose of a joint preemptive surprise strike at the targets in the east and west coasts of the northern half of Korea.

Mobilised in the war game were tens of carrier-borne planes of the U.S. Pacific Fleet and over 740 fighter planes belonging to the U.S. Seventh Air Force in South Korea and the puppet air force.

The puppets also staged a large-scale river-crossing exercise in the area of south Han River, and soldiers of mechanized and armored infantry units of the puppet army with the support of tens of helicopter gunships staged an attack exercise against the North in the area of Paju County, Kyonggi Province on Oct. 31.

On October 30 the puppets staged a mobile war exercise in the area of Paju County and drove over 70 military vehicles fully loaded with lethal weapons into Paju and Kanghwa Counties of Kyonggi Province.

**'Warmongers', Joint Military Exercise Denounced**

SK0311040995 *Pyongyang Korean Central Broadcasting Network in Korean*  
1223 GMT 2 Nov 95

[Commentary by Yun Pyong-son: "Warmongers, Do Not Run Wild Without Discretion"]

[FBIS Translated Text] In South Korea, the Kim Yong-sam ring and foreign forces are becoming more wild with each passing day while conducting the Eagle-95 joint military exercise. According to reports, on 31 October the puppets mobilized puppet army units, Civil Defense Corps, and puppet administrative agencies to conduct a civilian-administration-army joint exercise in South Korea's Kangwon Province. They frenziedly talked about testing the integrated combat system.

Prior to this, on 30 October, the puppets conducted a so-called defense exercise at Pusan Port and Kimhae Airport as a part of the Eagle-95 war exercise. Various war exercises are being conducted in a frenzy under the signboards of the provocative 1995 general exercise for a large infiltration and Hwarang. These days in South Korea, the sun does not set without the sound of firing due to such war commotions taking place in various places throughout South Korea. South Korea has literally become a battlefield. The situation on the Korean peninsula is heading toward the brink of war. Our people and the world's peace-loving people are enraged and concerned by this.

As was already reported, the United States and South Korean puppets have described the Eagle-95 joint military exercise as a defense exercise. However, the simulated war exercise, with our Republic as the target, mobilized not only the U.S. forces of aggression occupying South Korea, but also massive troops, military armed forces, and the latest war equipment, more than enough to fight a war. How can this be called a defense



exercise? Aimed at a preemptive surprise attack on the northern half of the Republic, a large joint aerial war exercise of northward aggression, a combined sea assault exercise, and an operation to airlift special forces are being conducted in three-dimensions in the sky, on the land, and on the seas of South Korea. The Eagle-95 joint military exercise is in every way a fire game of war aimed at northward aggression.

The rascals' talk about defense is a mere sophism to conceal their aggressive nature and the risks of their war exercise; it is designed to mislead public opinion. Any sophism of the warmongers cannot conceal the risk and aggressive nature of the Eagle-95 war exercise, a duplicate of the Team Spirit nuclear war exercise.

What is more serious is that although the Kim Yong-sam ring talks about detente and peace, it actually continues the extremely dangerous fire game of war and aggravates tensions. This shows that the puppets are not at all concerned about the peace of the country and the destiny of the nation, but only pursue their insidious scheme to harm compatriots with foreign forces and to achieve their ambition of reunification by defeating communism.

The Kim Yong-sam ring is the most vicious enemy of peace and reunification, as well as a warmonger that draws the dark clouds of war. Frequent clouds bring rain. The Eagle-95 joint military exercise is being more recklessly conducted in the sky, on the land, and on the seas of South Korea. There is no guarantee the exercise will not lead to actual war. This is why the people of the world are so concerned about the ever-aggravating tense situation on the Korean peninsula.

It will be a miscalculation by the U.S. imperialists and South Korean puppets if they believe the Eagle-95 war exercise can scare our people. We do not look forward to war, but will never forgive the enemies who come to harm us. Our People's Army and people are united in one heart around the ever-victorious sagacious general, the respected and beloved [kyongaehanun] comrade supreme commander, and are fully prepared to smash the enemies with a single blow at any time.

The U.S. imperialists and South Korean puppets must realize that death is the only outcome for provokers, and must not run wild without discretion.

#### **U.S.-ROK 'Aerial War Exercise' Denounced**

*SK0311010995 Pyongyang Korean Central Broadcasting Network in Korean  
1200 GMT 2 Nov 95*

[FBIS Translated Text] According to military sources, the U.S. imperialists and South Korean puppets again

conducted a joint aerial war exercise for northward invasion on 31 October and 1 November as part of their provocative Foal Eagle-95 war exercise.

The war exercise was continuously conducted day and night in the skies above Tokchok and Taehuksan Islands in the West Sea [Yellow Sea] of Korea with tens of ships of the U.S. Pacific Fleet, which had departed from overseas bases, and some 740 fighters of the Seventh Air Force of the U.S. occupation forces and the puppet air force.

The reckless fire game, under the command of an E-3 early-warning plane from an overseas base, was a dangerous military provocation aimed at a sudden joint preemptive strike against coastal areas targets in the northern half of the Republic.

Simultaneous with the war exercise, a KC-135 refueling aircraft, which had crawled from an overseas base to the West Sea off Kunsan, flew around this area day and night, frantically engaged in midair refueling of fighters mobilized in the aerial war exercise for northward invasion.

Meanwhile, on 31 October, the murderous rascals of the mechanized and armored infantry outfits of the puppet army occupied an attack position before us near the demarcation line in Chomwon-ri, Paju County, Kyonggi Province, running wild during the war exercise for northward invasion and being supported by tens of armed helicopters.

Prior to this, at around 0840 [1140 GMT] and 0910 [1210 GMT] on 30 October, some 200 armed puppet rascals in tanks mounted with 105mm and 155mm guns conducted mobile war exercise before us in the area of Munji-ri, Paju County. At around 1025 [1325 GMT] and 1140 [1440 GMT], some 70 military vehicles from central areas carrying a full load of killing equipment rushed into Tangsan-ri of Kanghwa County and Chuwon-ri of Paju County, making a commotion.

If the U.S. imperialists and Kim Yong-sam ring drive the situation to a worse phase of confrontation, eventually lighting the fuse of war, the provokers will be burnt to death in the flames ignited by themselves.

#### **Groups Demand Immediate Halt to 'Foal Eagle 95'**

*SK0111101195 Pyongyang KCNA in English  
1008 GMT 1 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 1 (KCNA) — Chita Vishwath, secretary general of the All India Peace and Solidarity Organisation, and Saidi Ungele, chief of the Dar-es-Salaam, Tanzania, Group for the Study of the Chuche Idea, have recently issued



statements demanding a stop to the "Foal Eagle 95" joint manoeuvres staged by the United States and the South Korean authorities throughout South Korea.

Chita Vishwath said that the "Foal Eagle 95" joint manoeuvres are the provocative "Team Spirit" joint manoeuvres the name of which has changed and that the manoeuvres staged by the United States with the mobilisation of huge forces, going against the spirit of the DPRK- U.S. framework agreement are a wanton challenge to peace.

If the United States truly wants peace and security on the Korean peninsula, it should immediately stop the "Foal Eagle 95" joint manoeuvres and respond to negotiations on the establishment of a new peace mechanism, he added.

Saidi Ungele warned that the United States and the South Korean authorities should put an immediate halt to the "Foal Eagle 95" joint manoeuvres, look squarely at the trend of the times and act with discretion.

He went on to say that the United States should pull its forces out of South Korea as demanded by the 30th U.N. General Assembly session resolution and take a landmark measure to replace the Armistice Agreement with a peace agreement.

#### **Zimbabwe, Zaire Condemn Exercise**

*SK3110101895 Pyongyang KCNA in English*  
1011 GMT 31 Oct 95

[FBIS Transcribed Text] Pyongyang, October 31 (KCNA) — Organisations of Zimbabwe and Zaire denounced the "Foal Eagle 95" joint war exercise staged by the U.S. and the South Korean authorities in South Korea.

The Zimbabwe-Korea Solidarity and Friendship Association and the National Liberation War Veterans Committee of Zimbabwe said in a joint statement on October 24 that the exercise is a perfidy to the DPRK-U.S. framework agreement and an unpardonable challenge to the proposal of the DPRK for establishing a new peace mechanism.

The Zimbabwean people strongly condemn the exercise and demand its immediate stop, the statement said.

The Zaire-Korea Friendship Association made public a statement on the same day, denouncing the "Foal Eagle 95" joint war exercise and distributed it to some local organs and embassies of different countries in Zaire.

The statement said that the exercise, far more extensive than the "Team Spirit" and "Foal Eagle 94" military exercises, is aiming at stifling the DPRK and destroying socialism in the world.

The statement called upon all organisations of solidarity with the Korean people and the peace-loving organisations in the world to lift up louder voices denouncing the exercise.

#### **South's River-Crossing Exercise 31 Oct Reported**

*SK0311051795 Pyongyang Korean Central*  
*Broadcasting Network in Korean*  
1200 GMT 2 Nov 95

[FBIS Translated Text] According to a broadcast report from Seoul, the South Korean puppets conducted a large river-crossing exercise along the Namhan River on 31 October. Under the control of the puppet army's northward advance vanguards, the war exercise was conducted in a frenzy beginning in early morning, mobilizing the Paengma Unit and other units, armed helicopters, tanks, and artillery. The puppets rave that the war exercise focusing on the integrated combat capabilities of infantry, sentry, armored corps, and engineers has greatly enhanced the integrated combat management for three-dimensional modern war.

The river-crossing exercise is timed with the provocative Eagle- 95 war exercise being frenziedly conducted in various places throughout South Korea. This clearly shows the U.S. imperialists and the Kim Yong-sam ring's commotion of northward aggression has reached an extremely dangerous stage.

#### **Captain of Detained ROK Ship Urges Apology**

*SK0311155195 Pyongyang KCNA in English*  
1530 GMT 3 Nov 95

["South Side Authorities Urged To Smoothly Solve Issue of South Korean Ship '86 Usong'" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 3 (KCNA) — Pak Chae-yol, captain of the South Korean ship "86 Usong", which illegally intruded deep into the territorial waters of the Democratic People's Republic of Korea on the West Sea before being captured by a patrol boat of the Navy of the Korean People's Army on May 30, in a statement Nov. 3 demanded the South Korean authorities smoothly settle the issue of his ship.

He stressed that the issue of '86 Usong' can be settled with ease if the South Korean authorities have a correct attitude toward the North. The South Korean authorities should report of their having further aggravated the confrontation between the North and the South and keyed up tension by faking up the case and beg a pardon, the captain said.

"I consider that this is an attitude to smoothly settle the issue of '86 Usong' and improve the inter-Korean



relations," he noted, adding: "The South Korean authorities are fostering anti-North confrontation, slandering the North over the issue. This is, in fact, a behaviour which can be made only by those who want neither the smooth solution of the issue nor improvement of inter-Korean relations."

"In the name of the crewmen of '86 Usong' I declare once again that if the South Korean authorities truly want a smooth solution of the issue of our ship, they should not groundlessly pick a quarrel with the North and admit and apologize for their misdeed as soon as possible."

#### **Foreign Groups Urge Release of ROK 'Patriots'**

*SK0111102895 Pyongyang KCNA in English*  
1017 GMT 1 Nov 95

[FBIS Transcribed Text] Pyongyang, November 1 (KCNA) — Ko Tae-chun, vice-chairman of the International Korean Youth Association, and Paek Yong-chin, vice-chairman of the Korean Association (Unity) in Uzbekistan, made public statements, denouncing the South Korean authorities for arresting and suppressing Chong Min-chu and Yi Hye-chong, delegates of the South Korean Federation of University Student Councils, who visited the northern half of Korea, by invoking the "National Security Law".

Ko Tae-chon said that it was only too natural that youths sat together to discuss what they should do for reunification when the delegates of the fellow countrymen from the North, the South and overseas sat together this significant year marking the 50th anniversary of national liberation.

This clearly shows that the South Korean authorities, suppressing the youths who did splendid things for national reunification, are, indeed, opposed to reunification and have no elementary conscience, he said, adding that "we strongly demand the immediate release of delegates Chong and Yi."

Paek Yong-chin said that no matter how recklessly the South Korean authorities may run amuck, they will be burnt to death by the reunification enthusiasm of the Korean people. He urged them to release the youth delegates without delay.

The European headquarters of the National Alliance for the Country's Reunification in a statement on October 18 demanded that the South Korean authorities release the pro-reunification patriots including Mrs. Pak Yongkil and students Chong Min-chu and Yi Hye-chong at once and abolish the "National Security Law."

#### **ROK Parties Urge Investigation of Secret Fund**

*SK0311050395 Pyongyang KCNA in English*  
0501 GMT 3 Nov 95

[FBIS Transcribed Text] Pyongyang, November 3 (KCNA) — All political parties of South Korea called for a strict investigation into the secret fund scandal of the traitor No Tae-u, a Seoul-based radio reported.

The Democratic Party called a meeting of its Executive Committee on Wednesday and issued a statement demanding the prosecution make a strict investigation into the secret fund of No Tae-u and the "presidential election" fund.

The prosecution must expose No Tae-u's irregularities to the people, the statement said, warning that if the prosecution minimizes and conceals the results of the investigation, it will face strong protest from the people.

The National Congress for New Politics on Wednesday called for a strict investigation, adding that although No Tae-u is interrogated, "It is likely that Kim Yong-sam and No Tae-u will not open to the public the presidential election fund through a political dealing."

The spokesman of the United Liberal Democrats demanded that the "Democratic Liberal Party" voluntarily open to the public the secret fund it had received from No Tae-u as well as the total amount and background of the "election" fund.

The "Democratic Liberal Party," the traitor Kim Yong-sam's private party, felt ill at ease and issued a commentary on Wednesday, saying that the appearance of a former president at the public prosecutor's office is an unhappy and regrettable event and that it hopes for a strict probe into the truth.

Different organisations of South Korea strongly demanded that No Tae-u be arrested and interrogated.

#### **South Koreans Oppose No Tae-u Move to Kangwon**

*SK0311115295 Pyongyang KCNA in English*  
0752 GMT 3 Nov 95

[FBIS Transcribed Text] Pyongyang, November 3 (KCNA) — Civil organisations in South Korean Kangwon Province in a statement concerning the secret fund of the traitor No Tae-u on November 1 said that they "strongly oppose" the traitor's move to South Korean Kangwon Province from Seoul, according to a radio report from Seoul.

The Kangnung Citizens Federation for Economic Justice, the Movement for Christian Ethics, the Kangnung Branch of the National Council for the Era of Reunification and Democracy and other civil organisations in



the statement said that if the traitor No Tae-u intends to move to the region as the traitor Chon Tu-hwan moved into the Paekdam Temple it will trample down the spirit of self-respect of the people in the province, adding that they would not allow the traitor No to step in the province.

**ROK Students: Punish No Tae-u, 'Murderers'**

*SK3110051595 Pyongyang KCNA in English  
0422 GMT 31 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 31 (KCNA) — Over 1,000 students of Chonnam National University in Kwangju on October 28 held a rally and demonstration demanding a legal action against the traitor No Tae-u and murderers of Kwangju citizens, according to a radio report from Seoul.

At the rally held at the Chonnam National University the chairman of the Kwangju and South Cholla Provincial Federation of the University Student Councils (Nam-chongnyon) had his hair cut close as a token of protest and over 100 students wrote in blood in demand of punishment of the Kwangju murderers and arrest of the traitor No.

Stating that secret fund of 500 billion won raised by No disclosed the immorality of the May 18 Kwangju murderers, the students demanded the present "regime" enact a special law to punish the murderers. The rally was followed by a street demonstration. On the same day, more than 300 students of the Chungchong Regional Federation of University Student Councils staged a demonstration in demand of arrest of No and enactment of a special law against the murderers.

**Kim Yong-sam Urged To Open 'Election Fund'**

*SK0211054595 Pyongyang KCNA in English  
0440 GMT 2 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 2 (KCNA) — The National Measure Committee ("Pom-daewi") for enactment of a special law to punish the May 18 murderers embracing over 290 civil organizations issued a statement on Oct. 31, according to a radio report from Seoul.

The statement said:

"We set November 4 as the day of people's action, when large-scale rallies demanding arrest of the traitor No Tae-u and opening to the public of Kim Yong-sam's 'presidential election fund' will be held in 15 cities and provinces all at once."

The National Alliance for Democracy and Reunification in a statement on the same day said Kim Yong-sam's utterances that he did not receive "election fund" from

No Tae-u were incoherent and demanded a probe into the case. It declared that the National Alliance would hold an emergency meeting of the Central Executive Committee and enter a sit-in.

That day religionists held a prayer meeting and demanded the enactment of the May 18 special law and arrest and inquiry of No Tae-u.

South Korean Cardinal Kim Su-hwan in a special lecture arranged by the Administrative Graduate School of Yonsei University said:

"No Tae-u should sincerely apologize for his crimes and the present 'government' should thoroughly investigate the case and take a legal action."

Opposition parties on Oct. 30 demanded that Kim Yong-sam open to the public election fund he received from No Tae-u.

**Reunification by Confederacy Supported Abroad**

*SK0211053995 Pyongyang KCNA in English  
0431 GMT 2 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 2 (KCNA) — 10 political parties and organizations including the Bulgarian Communist Party (Marxists) on October 25 issued a joint statement supporting the proposal for founding the Democratic Confederal Republic of Koryo [DCRK] on the lapse of 15 years after it was put forward.

The joint statement welcomed the memorandum of the DPRK Government which was published on the occasion of the 15th anniversary of the publication of the proposal for founding DCRK and fully supported the proposal considering it to be the most just and reasonable great program for reunification which entirely accords with the reality of the Korean peninsula.

"We consider that the reunification by the confederacy formula is the only way for settling the Korean problem and express the belief that the Korean people will certainly reunify the country in accordance with the proposal for reunification through confederacy," the statement said.

The 22nd congress of the pan Cyprian Federation of Labour in a statement expressing support to the cause of the Korean people said that Korean Armistice Agreement should be replaced with a peace one and a new peace mechanism be established in order to ease tension and ensure peace on the Korean peninsula and manifested support and solidarity for the struggle of the Korean people including the working masses for realising the proposal for founding the DCRK.



**Overseas Meetings Support Plan**

*SK0111101895 Pyongyang KCNA in English  
1012 GMT 1 Nov 95*

[Spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, November 1 (KCNA) — Solidarity meetings were held in different countries supporting the proposal for founding the Democratic Confederal Republic of Koryo [DCRK].

A solidarity meeting held in Yugoslavia was participated in by the president of the Presidium of the Communist Workers' Movement of Yugoslavia, Stevan Mirkovic and many other personages. A statement was adopted there.

The statement pointed out that the DCRK founding proposal is a reunification formula, which embodies the three principles of independence, peaceful reunification and great national unity and is based on the principle of one nation, one state, two systems and two governments.

At a meeting held in Angola, speeches were made and an indignation statement disclosing the anti-reunification, anti-dialogue crimes of the traitor Kim Yong-sam was read.

The speeches and statement noted that Korea's reunification should be realized in accordance with President Kim Il-song's proposal for founding a confederal state and stressed that the proposal is, indeed, a most realistic and fair one.

Georgi Stoyanov, chairman of the Bulgaria-Korea Friendship Association, addressing a meeting held in Bulgaria, said the proposal for reunification through confederacy is a most realistic and fair programme for national reunification as well as a most correct one suitable to the international trend in settling ethnic question.

He expressed firm conviction that the Korean people will achieve the country's reunification, on any account, by means of founding a confederal republic, under the wise leadership of the great leader Comrade Kim Chong-il.

**International Peace Groups Comment**

*SK0311114595 Pyongyang KCNA in English  
0820 GMT 3 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 3 (KCNA) — The International Liaison Committee for Reunification and Peace in Korea (CILRECO) and the World Peace Council (WPC) issued a joint appeal in Geneva on Oct. 20 on the occasion of the month for supporting the proposal to found the Democratic Confederal Republic of Koryo.

The appeal said that Korea should be reunified independently and peacefully according to the proposal for confederal formula.

The appeal noted that the continuance of Korea's division is intolerable in view of the independence of nations and sovereignty of the people clarified in the United Nations charter or the interests of world peace and security.

"For the affirmative solution of Korea's problem, interference of foreign forces in the internal affairs of the Korean nation should be halted, all the foreign troops stationed in South Korea under the Cloak of 'UN Forces' be withdrawn in accordance with the resolution of the 30th session of the UN General Assembly and the Korean Armistice Agreement be replaced by a peace agreement," the appeal said, and stressed:

"The framework agreement between the DPRK and the U.S. must be sincerely implemented for solution of the nuclear issue on the Korean Peninsula and the normalization of relations between the DPRK and U.S. and Korea must be reunified in a peaceful way by the Korean people themselves."

**Russian Communist Party Lauds Plan**

*SK3110150595 Pyongyang KCNA in English  
1503 GMT 31 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 31 (KCNA) — A political party of Russia and foreign public figures expressed support to the proposal for founding the Democratic Confederal Republic of Koryo (DCRK) advanced by the great leader President Kim Il-song.

The Standing Committee of the Central Committee of the Communist Party of the Russian Federation said in a statement on October 23 that the proposal for founding the confederal state put forward on the basis of the realities in which different socio-political systems exist in the North and the South of the Korean peninsula is the most realistic proposal for reunification.

The statement expressed full support to the struggle of the Korean people to reunify the country in a peaceful way according to the proposal for founding the DCRK advanced by Comrade Kim Il-song.

Martin Lotscher, secretary general of the Swiss Committee for Supporting Korea's Reunification, said in a lecture in Switzerland on October 8 that the proposal for the DCRK foundation is actively welcomed and hailed by not only all the Korean people but the world people and that the proposal would be realised without fail under the wise leadership of the great leader Comrade Kim Chong-il.



Razonera Luis, chairman of the Society for the Study of the Chuche Idea of the University of Madagascar, in a reading session held at the university on October 9 expressed the belief that the Korean people would reunify the country according to the most fair proposal for founding the DCRK under the wise guidance of his excellency the Great Leader Kim Chong-il.

**Punishment for Kwangju Case Said Inevitable**

SK0211044295 *Pyongyang KCNA in English*  
0413 GMT 2 Nov 95

["Traitors Defend Murderers" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 2 (KCNA) — NODONG SINMUN today stresses that it is inevitable to punish the traitorous Kim Yong-sam group, who try to defend the Kwangju murderers and illicit fortune-makers and strengthen fascist dictatorship in conspiracy with them.

The news analyst says:

The Kim Yong-sam group decided not to charge the chief culprits of the Kwangju bloodbath under the pretext of "expiration of the statute of limitations," but the South Korean people's struggle became fiercer especially after it was brought to light recently that the traitor No Tae-u raked up hundreds of billions of won as secret fund through power abuse and irregularities during his office.

By avoiding the probe into the truth of the Kwangju incident and deciding not to charge the murderers, the traitor Kim Yong-sam clearly showed once again that his group is an anti-social treacherous one that cheated the people under the signboard of sham "democracy." He also revealed the essential and physiological limitation of the "civilian government," which was born from the womb of military dictatorship and can exist only under the care of military fascism.

The puppets' decision to nullify the arch crimes of the Kwangju murderers under the pretext of "expiration of the statute of limitations" can never be tolerated. It is the height of the perfidy to the nation on the part of the traitor Kim Yong-sam and his "civilian government."

The Kim Yong-sam group's behavior seeking tieup with the Kwangju murderers is very dangerous in that it may lead to the restoration of military dictatorship and the recurrence of the Kwangju tragedy. It deserves criticism at home and abroad.

Kim Yong-sam is a power-hungry political charlatan who chanted "democracy" and "civilian politics" to make his way into the government.

In order to work off the grudges of the Kwangju victims, prevent the restoration of military dictatorship and the recurrence of the Kwangju incident in South Korea, clear South Korea of its bad name "den of irregularities," democratize South Korean society and reunify the country, the traitorous Kim Yong-sam group must be ousted.

**1929 Kwangju Student Incident Anniversary Noted**

SK0211151695 *Pyongyang KCNA in English*  
1510 GMT 2 Nov 95

[FBIS Transcribed Text] Pyongyang, November 2 (KCNA) — A meeting of youth and students in Pyongyang was held today to commemorate the 66th anniversary of the Kwangju student incident, which was a massive anti-Japanese patriotic resistance of Korean students.

The incident took place on November 3, 1929, when Japanese students insulted a Korean woman student on a train running between Kwangju and Naju, South Cholla Province. Spreading across the country, the case developed into a popular anti-Japanese resistance and lasted for six months with the involvement of many people and students.

Addressing the meeting, Choe Yong-hae, chairman of the Central Committee of the League of Socialist Working Youth of Korea, said that the Kwangju student incident was a historical event in which the steadfast patriotic spirit and the indomitable will of the Korean students, who were determined to unhesitatingly dedicate their youthful life to defending the dignity of the country and the nation rather than to lead a life as colonial slaves, were powerfully demonstrated at home and abroad.

"Sixty-six years has elapsed since the incident, but still in South Korea, outside forces are acting as masters and sovereignty and dignity of the nation are ruthlessly being trampled down," the speaker said.

He stressed:

In order to realize the desire of the Kwangju students it is necessary to terminate the colonial rule of the United States, reject domination and intervention by outside forces and put an end to the South Korean rulers' dependence on outside forces.

The U.S. must show an affirmative response to our just proposal for establishing a new peace-keeping system on the Korean Peninsula through DPRK-U.S. negotiations and take an honest attitude towards the implementation of the DPRK-U.S. agreed framework.



If Japan truly wants peace in Asia and is interested in Korea's reunification, it must sincerely apologize and compensate for its past aggressive crimes and show sincerity in the improvement of DPRK-Japan relations, rather than dance to the tune of the South Korean puppets.

If the South Korean authorities really hope for North-South dialogue, they should apologize to the fellow countrymen for the high treason they committed against the nation inflicting great suffering upon the fellow countrymen. And they must abrogate the "National Security Law", release the pro-reunification patriots and stop the military provocative moves and smear campaign against the DPRK.

The youth and students should unite themselves more closely and stand in the van of the nation's struggle to open the door of reunification by means of confederacy.

Choe Yong-hae said that the entire youth and students in the northern half of the country should firmly build their ranks into the ranks of loyal subjects and filial sons and daughters, who follow only respected Supreme Commander General Kim Chong-il and breathe with the socialist idea, and become eight million rifles and bombs and 16 million hand-grenades safeguarding him, thus fully displaying the honor of being his combatant reserve unit and detached force.

#### **Daily Denounces Kim Yong-sam's Overseas Trip**

*SK0311020095 Pyongyang Korean Central  
Broadcasting Network in Korean  
0850 GMT 1 Nov 95*

[NODONG SINMUN 1 November commentary: "Aid-Begging Junket of Dying Traitor"]

[FBIS Translated Text] The traitor Kim Yong-sam impertinently made an overseas junket unbecoming to his pitiful situation as a mere colonial stooge, kicking up a racket. He made the people of the world laugh and disgraced his nation. We refer to the junket he made to Canada and the United Nations from 16 to 28 October.

Without knowing what he was talking about, he rashly made absurd, outrageous, nation-selling, flunkeyist, traitorous, anti-reunification remarks.

By again raising the nuclear issue in the North, he pleaded for the establishment of a cooperation system and cried about maintaining the old armistice system. He asked outside forces to support reunification on the Korean peninsula, acting disgracefully.

Everywhere he went, he cried for an anti-Republic confrontation, making all kinds of slanderous remarks that completely smeared the North. In a nutshell, the

traitor Kim Yong-sam's recent overseas junket was the aid-begging trip of a flunkeyist, traitorous, colonialist stooge designed to maintain his despicable life; it was an anti-national, anti-reunification trip to betray the dignity and interests of the nation to outside forces and to obstruct peace and the peaceful reunification of the country.

The traitor Kim Yong-sam pleaded with outside forces for the establishment of a cooperation system against the fellow countrymen in the North under the pretext of non-existent nuclear suspicions against the North. This is truly an act of a lunatic possessing no sense.

It is a stern reality that the DPRK-U.S. agreed framework to solve the nuclear problem on the Korean peninsula is in its implementation phase. Nevertheless, he still begs for the establishment of nuclear cooperation system to harm his fellow countrymen. Who on earth would regard Kim Yong-sam as a sound man?

The puppet traitor again staged the wicked act he perpetrated when he pleaded with his imperialist masters to establish a nuclear cooperation system in return for leaving the South Korean rice markets to them. This clearly shows he is a most vicious national traitor and nation seller engrossed only in anti-Republic confrontation.

Disgustingly enough, the traitor Kim Yong-sam cried about maintaining the old armistice system, revealing the political ignorance of the colonial stooge with an anachronistic thinking pattern.

The Korean Armistice Agreement and armistice organization have all collapsed [ta mangajyo] due to the maneuvers of the United States and South Korean puppets, remaining in name only.

This notwithstanding, the puppet traitor cried about maintaining the armistice system. This is a nonsensical remark that can be made only by a war servant of outside forces.

The warmongers who aim to invade the North may need the armistice regime that has totally collapsed and remains in name only. However, those of us who truly want peace do not need it.

We again make it clear that solid peace on the Korean peninsula is possible only when a new peace mechanism is established between the signatories to the Armistice Agreement—the DPRK and the United States, which holds the operational control of the army in South Korea.

It would be good for the traitor Kim Yong-sam to stop making such absurd and ridiculous remarks, for which he will have to suffer a total loss.



During his overseas junket, the traitor Kim Yong-sam pleaded with outside forces for help and support on the reunification issue, the domestic issue of the nation. Indeed, his act evoked surging indignation within the people.

By staging various war exercises, including the Foal Eagle-95 joint military exercise in collusion with outside forces, which is aimed at northward aggression, he is driving the situation to the brink of war. He indiscriminately punished those who called for reunification through collaboration with communists and the North, charging them under the National Security Law. Not satisfied with this, the Kim Yong-sam group even imprisoned those patriots who returned after visiting Pyongyang with a patriotic desire for national reunification. It is clear even to a child that the Kim Yong-sam group has no intention of reunification.

During his trip, the puppet traitor asked outside forces to support reunification. This only shows his sinister intention to unify the country by invading the North with the help of outside forces.

Kim Yong-sam ridicules the people with the issue of reunification, the nation's ardent desire. He will have to pay dearly for his crime.

Furthermore, what should not be pardoned is that the traitor Kim Yong-sam, not satisfied with anti-Republic confrontation schemes staged within South Korea, has now brought them overseas.

The puppet traitor urged the North to open its door to the world, maliciously slandering the North as if it had problems. Our society is a superior, popular, mass-centered socialist society with single-hearted unity between the leader, the party, and the masses. Our society is subject to envy by the world's people.

No one in the world will listen to such nonsensical remarks by Kim Yong-sam. In fact, South Korea is filled with extreme corruption and irregularities that are being exposed to the world. At this moment, the people are struggling, shouting for the overthrow of Kim Yong-sam.

To make matters worse, the secret funds scandal involving the traitor No Tae-u, dictator of the Sixth Republic, was recently exposed. The people's voices constantly resound, calling for the invalidity of the presidential election of the traitor Kim Yong-sam who received astronomical amounts of money from No Tae-u and who won the presidency by using these funds, thus placing Kim Yong-sam on pins and needles.

It is the height of sarcasm that Kim Yong-sam, who is in his waning days and who is estranged from the times

and the people, abuses others without realizing his own situation.

Through current overseas junkets, the traitor Kim Yong-sam again exposed his ugly nature to the entire world as a colonial stooge and national traitor who is not aware of his own and the nation's situation, and who has no knowledge about politics.

It is the spirit of our nation not to pardon traitors. It is a matter of time before the traitor Kim Yong-sam, who is trying to prolong his miserable life by further intensifying flunkeyist and treacherous acts and anti-Republic confrontation, will be thrown onto the trash heap of history.

**PRC Kim Il-song 'Memorial Reading Room' Opens**  
*SK3110051695 Pyongyang KCNA in English*  
0426 GMT 31 Oct 95

[FBIS Transcribed Text] Pyongyang, October 31 (KCNA) — A "Memorial Reading Room of Comrade Kim Il-song" in the Jilin Yuwen Middle School of China was opened to the public.

Reporting the news, the September 30 issue of the Chinese paper JIANGCHENG DAILY said that Comrade Kim Il-song had conducted his study and revolutionary activities in the room, a symbol of Sino-Korean friendship, from 1927 to 1929.

The room was rebuilt and expanded several times after it was built in 1953 according to a decision of the Chinese State Council, and a statue of Comrade Kim Il-song was erected at the middle school, the paper said.

The three-chamber room is a holy place of the friends of Korea looking back upon the revolutionary activities of President Kim Il-song and an important site for foreign friendly visitors, it said.

The paper stressed that in order to continue to promote friendly travel between China and Korea and educate the masses in the revolutionary tradition of internationalism, the Jilin Yuwen Middle School opened to the public the "Memorial Reading Room of Comrade Kim Il-song."

**Thai Company Delegation Visits Economic Zone**  
*SK0211104695 Pyongyang KCNA in English*  
0851 GMT 2 Nov 95

[FBIS Transcribed Text] Pyongyang, November 2 (KCNA) — The delegation of the Loxley Public Co., Ltd. of Thailand headed by its Deputy President Ronald James Savage paid a visit to the Najin-Sonbong free economic and trade zone in the Democratic People's Republic of Korea over October 31-November 1.



The delegation is planning to build various kinds of modernized communications service centre in the zone, including international satellite communications, the Tumen River regional and international telephone, cellular phones, wire T.V. relay, a televised phone meeting and transmission of data.

The delegation confirmed a building site for the centre on the spot.

The delegation, especially, acquainted itself with the present condition of the building of the Najin International Communications Centre and expressed satisfaction at its favourable location and expressed strong willingness to invest a large amount of money in modernizing communications system in the zone and North-east Asia.

The delegation manifested its plan to carry on the building of the project in collaboration with the Korean telecommunications company.

It also looked round the Najin Port, Najin Heliport, Najin International Hotel and dwelling houses for lease now under construction. In addition, it enjoyed a bird's eye view of such scenic spots as the Haesaenggum seaside resort and Pipa Islet.

At the end of September this year, a DPRK working-delegation headed by Kim Chong-u, chairman of the DPRK Committee for the Promotion of External Economic Cooperation visited Bangkok, Thailand, and reached an agreement on building and operating a communications service centre in the Najin-Sonbong free economic and trade zone, in a 50-year-long collaboration with the Loxley Public Co., Ltd.

#### **NODONG SINMUN on International Relations**

*SK0211104495 Pyongyang KCNA in English*

*0847 GMT 2 Nov 95*

["Fair International Relations Must Be Established" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 2 (KCNA) — NODONG SINMUN in a signed article today says that when all the countries and all the nations firmly adhere to independence, they can develop fair international relations and build a truly independent, equal, friendly new world.

The article notes: Today the establishment of fair international relations is being called for in the international arena.

The article quotes the great leader Comrade Kim Il-song as saying:

"No privilege and no arbitrariness should be tolerated in international relations; friendship and cooperation among countries must be fully developed on the principles of mutual respect, non-interference in the affairs of other countries, equality and mutual benefit."

The article goes on:

If fair international relations are to be established, sovereignty and complete equality should be ensured among countries first of all.

All the countries and nations should work out and carry out all the lines and policies independently to suit their specific conditions and interests of their people, without interference of others.

When they fully exercise sovereignty, there will be no leading countries and following countries, dominating nations and dominated nations and the complete equality and freedom of all the countries and nations will be ensured in the world.

When they exercise the equal rights as equal members of the international community, it can be said that fair international relations have been established.

If fair international relations are to be established, they should be based on the principle of mutual respect and non-interference in other's internal affairs.

The international relations can become fair when all the countries and nations respect others' sovereignty and the right of equality, neither interfering in internal affairs of other countries nor encroaching upon others' sovereignty.

Fair international relations can be established only on the basis of independence of the countries and nations.

When they defend independence, sovereignty and the right of equality can be ensured, the principle of mutual respect and non-interference in others' internal affairs be defended and reciprocity and cooperation be realized in the international relations.

The struggle for the independence of the popular masses assumes international nature.

When all the countries and all the nations firmly defend independence, they can develop fair international relations and build a truly independent, equal and friendly new world.

#### **South Korean Calls Kim Chong-il 'Great Man'**

*SK0311131695 Pyongyang KCNA in English*

*0807 GMT 3 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 3 (KCNA) — A South Korean freelance [writer], Yi



Kwang-chin, wrote an article about the ever growing reverence of South Korean people for the great leader Comrade Kim Chong-il, said Seoul-based radio Voice of National Salvation.

In the article titled "Greatest Man and Public Sentiment" he said many people in Seoul and all other parts of South Korea are revering the great leader Kim Chong-il, a great man.

As public sentiment is irresistible, their reverence for the great man and their minds tending towards the North are as firm as a natural rock, undaunted by the authorities' suppression, he stressed.

Public sentiment is tending towards the North because the people think the right way of shaping the nation's destiny and its prospects can be seen only in the North guided by the great man, he said, and continued:

Early in October the number of those going to areas North of River Han was more than three times larger than before and those taking planes bound for Japan drastically increased, insinuating doubts into officials concerned. As was known later, their travel was aimed mainly at watching the North's TV.

This is an example which is illustrative of the South Korean people's desire to see on TV the celebrations of the 50th anniversary of the founding of the Workers' Party of Korea which were expected to be held in presence of the leader Kim Chong-il.

What is notable in the present situation of the South Korean press is that they have carried many articles about the North, articles praising him in particular.

Such tendency is not confined to one or two newspapers and monthly magazines but to almost [all] metropolitan and local dailies and monthly and quarterly magazines. They have devoted large space to photo-illustrated articles about his activities on this and that occasion.

Among the publications are such government-serving newspapers and magazines as HANGUK ILBO, CHOSON ILBO, KYONGHYANG Daily News, SEOUL SINMUN and WOLGAN CHOSON, which are considered to be very conservative and anti-North.

Neither the concrete wall nor the "National Security Law" can block the people's sentiment.

The author of the article gave details of what South Korean scholars, politicians and military persons said, praising Comrade Kim Chong-il as the supreme incarnation of loyalty, filial duty, morality and obligation.

He said the political activities conducted by the leader Kim Chong-il with loyalty and filial duty to President Kim Il-song, the father of the nation, over the past

one year since he passed away suddenly, have further increased the South Korean people's worship for the leader.

As our nation that has lived a glorious life in the 20th century, holding President Kim Il-song in high esteem, will brilliantly adorn the new century, living as the dignified nation of the sun guided by the leader Kim Chong-il, the greatest man, he stressed.

#### **Kim Chong-il Greeted by Russian, Japanese Groups**

*SK0311115495 Pyongyang KCNA in English*  
*0800 GMT 3 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 3 (KCNA) — The great leader Comrade Kim Chong-il received messages of greetings and letters from participants in the celebrating meetings held in Ghaziabad of India, Harare Province of Zimbabwe, Kiev of Ukraine, Cairo of Egypt, Sofia of Bulgaria, Turku and Tampere of Finland and Georgetown of Guyana and by the Russian Association for Friendship and Cultural Cooperation With the DPRK on the occasion of the 50th anniversary of the Workers' Party of Korea.

The messages and letters noted that the Workers' Party of Korea founded by the great leader President Kim Il-song has grown in strength and developed into an ever-victorious iron-willed party and the most authoritative and dignified party in the world under the wise guidance of Comrade Kim Chong-il.

They expressed the belief that the WPK under the tested leadership of Comrade Kim Chong-il will accomplish the socialist cause and realise national reunification without fail true to the lifetime intention of President Kim Il-song.

Comrade Kim Chong-il received messages of greetings from the participants in a national seminar in Ghana to celebrate the 50th founding anniversary of the WPK and the participants in an inaugural meeting of the Madagascan society for the study of works of Kim Chong-il and a letter from the participants in a seminar on the chuche idea celebrating the 50th anniversary of the WPK and the first anniversary of the publication of Comrade Kim Chong-il's work "Socialism Is a Science" held in Tokyo under the co-sponsorship of the liaison councils for the study of the chuche idea in different parts of Japan.

#### **Kim Chong-il Sends Thanks to Units, Workers**

*SK0311043595 Pyongyang KCNA in English*  
*0431 GMT 3 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 3 (KCNA) — The great leader Comrade Kim Chong-il



sent thanks to officials and working people of different units for their sincere assistance to soldiers of the Korean People's Army.

Among them are officials of the South Hwanghae provincial party committee and other party officials in the province, workers of the metal factory construction Company No. 25 of the second metal factory construction complex, the foreign ship affairs corporation of the Ministry of Marine Transport, the Pukchang domestic supplies factory, and the management board of the cooperative restaurants in Potonggang District, Pyongyang.

Comrade Kim Chong-il extended thanks to officers and soldiers of the Kim Sun-kuk unit of the Korean People's Security Forces and Yang Sok-min, a public security man of the Onsong County Security Department in North Hamgyong Province, for displaying the trait of army-people unity.

#### **Kim Chong-il Shows 'Warm Love' for Martyrs**

*SK0311114795 Pyongyang KCNA in English  
0824 GMT 3 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 3 (KCNA) — The great leader Comrade Kim Chong-il has shown warm love for the martyrs, who dedicated their precious lives to the struggle for the country and the people, so that they can enjoy an eternal life.

He saw to it that statues or busts of martyrs were erected in the capital city of Pyongyang, their native towns and at alma maters in order to hand down their feats to posterity.

Ten-odd years ago, he proposed to rebuild on an expansion basis the Revolutionary Martyrs' Cemetery on Mt. Taesong and build a Sinmiri Patriotic Martyrs' cemetery in Pyongyang so that the anti-Japanese revolutionary martyrs and patriotic martyrs could enjoy an eternal life.

One day in early October, 1985, he called at the Revolutionary Martyrs' Cemetery on Mt. Taesong, which was under construction, and wisely led the work to wonderfully build the cemetery as a grand monumental edifice, saying that the anti-Japanese revolutionary martyrs should be praised and their feats be conveyed for all ages.

Before the stand for placing floral tributes, he said that all the anti-Japanese revolutionary fighters were heroes and heroines and that a medal of the hero of the DPRK should be carved in relief on the centre of the stand.

In different parts of Korea there are statues of anti-Japanese revolutionary fighters, the first generation of

the Korean revolution, and of heroic soldiers produced in different periods.

There are many places, industrial establishments, cooperative farms and schools called with martyrs' names.

In the '90s alone, a number of universities and colleges, which had been called with local names, were renamed after anti-Japanese revolutionary martyrs and patriotic martyrs including Kim Chol-chu, Cha Kwang-su, Chong Chun-taek and Kim Che-won.

The figures and names of young soldier heroes including Kim Kwang-chol, Han Yong-chol and Yu Kyong-nam, who devoted their precious youthful life for comrades, are shining at their alma maters.

#### **Foreign Parties Congratulate WPK on Anniversary**

*SK3110101095 Pyongyang KCNA in English  
1007 GMT 31 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 31 (KCNA) — Messages of greetings came to the Central Committee of the Workers' Party of Korea [WPK] from Vassalo Anthony, general secretary of the Central Committee of the Communist Party of Malta; Sulbeig Omdal, chairman of the Central Committee of the Workers Communist Party of Norway; the Central Committee of the Communist Party of Guadeloupe and the Central Committee of the Palestine Revolutionary Communist Party and a solidarity message from the Central Committee of the Norwegian Communist Party on the occasion of the 50th anniversary of the WPK.

The messages warmly congratulated the WPK on its 50th anniversary and wished it greater success in the efforts to build socialism, the most genuine society favouring the interests of the popular masses and achieve the peaceful reunification of the country.

#### **WPK Receives More Messages**

*SK0111043995 Pyongyang KCNA in English  
0415 GMT 1 Nov 95*

[Names as received]

[FBIS Transcribed Text] Pyongyang, November 1 (KCNA) — Congratulatory messages came to the C.C. [Central Committee], the Workers' Party of Korea [WPK], on the occasion of its 50th birthday, from the C.C., the Leftist League of Finland, general secretary of the C.C., the New Communist Party of Great Britain Eric Trevett, deputy general secretary of the Arab Socialist Baath Party Abdullah Al Ahmar, secretary general of the Liberal Democratic Party of Japan Koichi Kato and director of the organization department of the Japan Social Democratic Party Hajime Fukada.



The messages noted that the great leader President Kim Il-song founded a new typical revolutionary party on the basis of the *chuche* idea 50 years ago and the WPK developed and strengthened as a veteran and experienced revolutionary party, an invincible party enjoying absolute support of the popular masses, under the wise leadership of President Kim Il-song and respected general Kim Chong-il.

They expressed firm support and solidarity for the struggle of the WPK to accomplish the *chuche* revolutionary cause and realise national reunification.

#### **Anniversary of Social Democratic Party Marked**

*SK0211232195 Pyongyang KCNA in English  
1520 GMT 2 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 2 (KCNA) — A meeting was held in today Pyongyang to commemorate the 50th anniversary of the Korean Social Democratic Party.

The predecessor of the Korean Social Democratic Party is the Korean Democratic Party [KDP] which was founded on November 3, 1945. The KDP was renamed the Korean Social Democratic Party at its sixth congress held in January 29, 1981.

The Korean Social Democratic Party made active contributions to the cause common to all the people and the whole nation for achieving the prosperity and development of the country and hewing out the destiny of the nation in every period and at every stage of the revolution and construction in the last five decades.

Kim Pyong-sik, chairman of the Central Committee of the Korean Social Democratic Party, delivered a report at the meeting.

He said: The Korean Social Democratic Party, a friendly party of the Workers' Party of Korea, deems it a great pride to have made some contributions to the grim and vast struggle for adding lustre to the history of the country and annals of the Korean revolution such as social revolution of two stages, the fatherland liberation war, the post-war rehabilitation and construction, the building of socialism, the nationwide cause of national reunification in the last 50 years.

Notably, in the past period the Korean Social Democratic Party has invariably worked for the independent, peaceful reunification of the country and conducted energetic external activities for enduring peace in Asia including the Korean peninsula and the rest of the world, the reporter said.

He elaborated on the tasks of the Korean Social Democratic Party to carry into practice the proposal for found-

ing the Democratic Confederal Republic of Koryo and thus achieve national reunification.

He said:

We should realise wide-range negotiations and contacts with political parties, groupings and people from all walks of life in the North, the South and overseas and promote the great national unity in every way in hearty response to the "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" put forward by the great President Kim Il-song.

It is necessary to scrap the "National Security Law", a law hampering national reconciliation and unity and laying obstacles in the way of reunification, dismantle the "Agency for National Security Planning" and foil the Kim Yong-sam group's attempts for anti-communist fascistization.

In order to clear the Korean peninsula of danger of war and guarantee a durable peace in this region it is essential to replace the Armistice Agreement concluded between the DPRK and the U.S. with a peace one and set up a new peace-keeping mechanism.

All the members of the Korean Social Democratic Party should do well the work for united front with political parties in South Korea, firmly rally compatriots in South Korea and overseas around the democratic united front and strengthen cooperation and bonds with social democratic parties in all countries of the world to further increase the ranks of supporters and sympathizers for Korea's reunification worldwide, true to the behests of the great President Kim Il-song.

Secretary Kim Chung-nin of the Central Committee of the Workers' Party of Korea and Chairperson Yu Mi-yong of the Central Committee of the Chondoist Chongu Party and others were invited to the meeting.

#### **NODONG SINMUN Views Coal Production**

*SK0211104795 Pyongyang NODONG SINMUN  
in Korean 18 Sep 95 p 1*

[NODONG SINMUN 18 September editorial: "Let's Decisively Increase Coal Production by Concentrating Efforts in the Coal Industry"]

[FBIS Translated Text] Currently, the whole country abounds with the an upsurge of enthusiasm of people who are vigorously carrying out the struggle to provide greater labor gifts for the mother party on the occasion of the 50th anniversary of its founding.

On the occasion of the 50th anniversary of party founding, an important task in all the more vigorously man-



ifesting the might of our self-dependent national economy and brilliantly fulfilling this year's people's economy plan, is to decisively increase coal production by continuously concentrating efforts in the coal industry sector.

The great leader [yongdoja] Comrade Kim Chong-il has pointed out:

"Increasing coal production has very important significance in maintaining a steady rate of production in the various sectors of the people's economy and in enhancing the people's living standard."

Coal is the food of our country's chuche industry. Coal is necessary for producing electricity and the plants can be operated to maintain a steady rate of production in all sectors of the people's economy.

Coal is in strong demand by all sectors and all units including thermoelectric power stations and cement plants. There must be high productive upsurges in the coal industry sector so that innovations can occur in all fields of the people's economy and the country's economy can be developed all the more quickly.

The coal industry sector is the frontline of the great offensive battle to thoroughly implement the revolutionary economic strategy as presented by the party.

Without increasing coal production, the party's policy on bringing about a new turning point in the development of agriculture, light industry, and foreign trade cannot be realized. To sufficiently supply various farming materials including chemical fertilizer and agricultural medicines to the rural economy sector, more coal must be mined to solve the strained power problem, and much coal must be produced to increase the production of mass consumption goods by operating the light industry plants at full capacity. Because of the importance of coal production in the country's economic development, the great leader personally guided the conference of the economic functionaries up to the last moment when his heart stopped beating and provided earnest teaching on increasing coal production. Here, where a revolutionary turning point is brought about in coal production by highly upholding the fatherly leader's behest, lies the important guarantee to strengthen the country's economic might and enhance the people's living standard in an epoch-making way.

From early this year, our people had brought about endless upsurges in all fields of the socialist economic construction to decorate this year — the 50th anniversary of the party founding — as the most significant year in the history of our fatherland. How this worthwhile march bears brilliant fruit is dependent upon coal production. Much coal must be mined and supplied smoothly so

that production results in all sectors and all units of the people's economy can be boosted significantly and brilliantly fulfill this year's battle task.

Increasing coal production is our party's consistent policy. Our party has designated coal industry as a leading sector of the national economy and has always stressed the need to concentrate great efforts on coal production.

Functionaries and workers in the coal industry sector and all sectors related to the coal industry sector should clearly understand the party's intent and the country's demand for economic development and should more vigorously wage the struggle to increase coal production.

What is more important in fanning the flames of coal production is for functionaries and workers in this sector to earnestly and persistently struggle with the firm determination to fulfill to the end the coal production goal set by the party.

The coal production goal set by the party is a responsible task that functionaries and workers in the coal industry sector should fulfill unconditionally. Functionaries and workers in the coal industry sector should redouble their efforts by deeply realizing the importance of the duties that they are assigned in this year's battle and in overall socialist construction.

Coal production is a struggle with nature. Therefore, there may be many difficult problems, obstacles, and barriers. However, for revolutionary fighters who are loyal to the party and the leader [suryong], no condition can become a problem. In other words, they should turn even an adverse condition into a favorable condition and should fulfill, without fail, the task assigned by the party with their own strength. This is precisely the genuine struggle habit and work style of the party's revolutionary fighters.

All coal producers should higherly display their revolutionary spirit of self-reliance and fortitude and bravely break through all difficulties. Thus, they should fulfil, without fail, the production quotas of their coal mines, their pits, their company, and their platoons.

The success in the struggle to increase coal production depends on functionaries in this sector. Those who directly organize and command coal production are none other than guiding functionaries.

As the experiences by advanced units show, when guiding functionaries lead the masses through their exemplary model and with high revolutionary spirit and combat capabilities, they can regularize coal production



at a high level and occupy the coal production target under any difficult circumstances.

All functionaries in the Ministry of Coal Industry should earnestly and persistently struggle with the firm position and viewpoint that they are the persons responsible for the country's coal production. At the same time, they should closely plan and organize labor organizational work and energetically carry out production orders in conformity with the rapidly changing situation. Along with this, functionaries should mingle with coal miners and further encourage them to produce more coal. In this way, they should solve the knotty problems facing coal miners in a timely manner and properly plan and organize supply work.

Giving priority to tunneling and stripping is the policy that the coal industry sector should firmly adhere to. No matter how urgent their coal production may be, functionaries in the coal industry sector should provide enough coal pits by concentrating efforts on tunneling and stripping and vigorously wage the struggle to develop more new coal mines in areas that have good prospects. Along with this, they should actively struggle to modernize and maintain basic pits in coal mines, to make coal cutting facilities and hauling facilities large in scale, modern, and high in speed, and to realize the comprehensive mechanization of coal-cutting work.

A new upsurge in coal production cannot be thought of apart from the active supply work for the coal industry sector.

Today, the party regards the coal industry sector as a most important front for the implementation of its revolutionary economic strategy. Therefore, the party is urgently calling for the strengthening of supply work and support work for this sector.

Even recently, our party established detailed ways and all available measures for increasing coal production. Functionaries in all sectors and units should clearly realize that properly doing supply work for coal mines precisely becomes a basic guarantee for regularizing production at a high level in their own unit and should give priority to producing and supplying facilities and materials needed in coal production.

Coal mines have more need for short pillars and drifting and blasting materials. Relevant sectors and units, including the forestry and chemical industry sectors, should produce more short pillars and blasting materials with good quality and send them to coal mines in a timely manner. Along with this, various sectors — including the machine industry, metal industry, and build materials industry sectors — should give priority to producing and supplying various kinds of facilities

and materials, including rock drills, compressors, coal cars, and cement, which are needed to increase coal production.

A new upsurge in coal production can be effected only when the flames of innovation are ignited in the hearts of coal miners.

Party organizations of all levels in the coal industry sector should properly carry out political work, that is, work with coal miners, so that they can effect a new innovation in coal production with the honor of defending an important front of the national economy. Thus, they should see to it that all working people in the coal industry sector brilliantly adorn this year, which marks the 50th anniversary of the party's founding, with an unprecedented coal production increase.

Party organizations and party functionaries should mingle with coal miners and share joy and sorrow with them. Thus, they should vigorously make efforts to more properly look after their living conditions and should see to it that the rear supply work for coal miners is properly carried out.

Increasing coal production is one of the tasks to which our party attaches the most importance at the present time. All functionaries and workers in all sectors, including the coal industry sector should uphold the party's intent on increasing coal production and more vigorously wage the struggle for its implementation. Thus, they should effect a new upsurge in socialist economic construction.

#### **Article Stresses Increasing Coal Production**

*SK0311011295 Pyongyang NODONG SINMUN  
in Korean 22 Sep 95 p 3*

[Article by Han Pong-chun, vice minister of coal industry: "Increasing Coal Production Is an Inherent Requirement of Socialist Economic Construction"]

[FBIS Translated Text] The entire country is vigorously carrying out the general onward march to greet the 50th anniversary of the founding of the party with great political zeal and labor results.

To decisively increase coal production is an important issue in even more vigorously carrying out this worthwhile march.

The great leader [widaehan yongdoja] Comrade Kim Chong-il noted:

"Increasing coal production is very significant in normalizing production in various sectors of the national economy and in improving the people's standard of living."



Coal is the food of industry and a basic resource of materials, fuel, and power. Only when we have coal can we produce electricity, operate enterprises at full capacity, and actively develop all sectors of the national economy. This is why our party designated the coal industry as a primary sector of the national economy, and always concentrates great efforts on the development of the coal industry.

Today, we can say the rapid increase of coal production is the lifeline for accelerating socialist economic construction. The path of production to create material wealth requires a constant expense of labor and the endless consumption of material, fuel, and power. Only when we increase coal production can we smoothly guarantee the demands by various sectors of the national economy and continuously and rapidly increase production.

Increasing coal production is an essential requirement for the development of a self-reliant socialist economy.

Today, the strength of our self-reliant economy is great. Since the great leader [widaehan suryongnim] Comrade Kim Il-song prepared the ground for a powerful self-reliant economy with his extraordinary farsightedness and wise leadership, we are now able to produce everything as we intended and to live by our own strength under any difficult condition. Our self-reliant economy, which we built through arduous struggle under the leadership of the party and the leader, is demonstrating its great might while it serves as the valuable ground for the eternal prosperity of our fatherland. Whether the powerful ground of our self-reliant economy can achieve great results greatly depends on coal production.

To depend upon domestic resources in supplying materials, fuel, and power is an important factor of a self-reliant economy. In particular, the smooth self-supply of basic and essential materials as well as materials required in large quantities is a very important matter that determines the fate of a self-reliant economy.

Coal is the most important resource necessary for developing our self-reliant economy. Our economy was originally built based on materials, fuel, and power resources that are abundant in our country. Among them, coal is quite significant. Without coal, our self-reliant economy can neither be satisfactorily operated nor achieve good results. The production of electricity, a basic source of power for industry, greatly depends upon thermal power, which is produced by using coal, as well as upon hydroelectric power. Without coal, we cannot think of producing steel products in a chuche-based manner or of producing vinalon and chemical fertilizers. As the chucheization and modernization of the national economy has actively been promoted and

the scale of the national economy increased, the demand for coal has been increasing in all sectors and units.

The constant increase in the coal production enables us to smoothly meet the coal demand of various sectors of the national economy and to operate all plants and enterprises at full capacity so that our self-reliant economy can fully demonstrate its superiority and vitality.

Increasing coal production is an important requirement in implementing the party's revolutionary economic strategies to remarkably improve the people's standard of living.

Our party presented revolutionary economic strategies that most correctly reflect the practical demands of revolutionary development and of country's economic development, and is energetically leading the struggle to implement them.

Coal production is very significant in implementing the party's agriculture-first, light industry-first, and trade-first policies.

Water, fertilizers, and seeds are essential to farming. Increasing the production of chemical fertilizers is a fundamental method to increase grain in our country seeing as the water and seed problems have been completely solved. Grain yield is in proportion to fertilization. Chemical fertilizers can be easily produced with electricity and coal. Coal is electricity and fertilizer.

Light industry and agriculture play a very important role in improving the people's lives. When we carry out the light-industry revolution and produce consumer goods on a grand scale, then we can satisfactorily meet the people's diverse demands for material and quickly improve the people's lives. To do this, we must maintain a high and steady rate of production within light-industry. This is unthinkable without coal production. Coal is an important raw material for plants that produce raw materials for light industry. It is also a basic resource that produces electricity, steam, power, and heat. Under circumstances in which the entire country is dotted with modern light-industry plants, only when we increase coal production can we produce in large quantities those consumer goods necessary for the people's lives.

Improving the quality of export goods, and fanning the flames of the struggle in the railway transportation sector to transport more goods, both largely depend on coal production. Increasing coal production is an important step in implementing the party's revolutionary economic strategy.



This is why our party has placed a priority on coal production and has taken every necessary measure to increase coal production since presenting the revolutionary economic strategy. When we more highly fan the flames of increasing coal production in hearty response to the party's intention, we will be able to bring about great achievements in the struggle to implement the party's revolutionary economic strategy.

Increasing coal production is an important guarantee for reaping the brilliant fruit of our people's labor struggle to provide gifts for the 50th anniversary of the party's founding.

Since the beginning of this year, our people have waged a persistent struggle to brilliantly decorate this year, the 50th anniversary of the party's founding. With extraordinary resolve and revolutionary enthusiasm, our people have launched an all-out drive to gloriously complete this worthwhile struggle. As time goes by, our people are waging the struggle to accelerate production and construction in a higher spirit in order to provide proud gifts for the grand October festival. Providing conditions for production in step with the masses' heightened enthusiasm is particularly important, and coal production is a very important condition of this.

The satisfactory supply of electricity and coal will lead to success at construction sites for grand monuments, at plants and enterprises that are waging the struggle to fulfill their annual plans before 10 October, and at cooperative farms that are busy harvesting and threshing grain in order to conclude this year's farming. Rapidly increasing coal production is responsible and sacred work for translating the loyalty and enthusiasm of our people, who are vigorously waging struggles on the 50th anniversary of the party's founding, into a brilliant reality.

Officials and party members, as well as workers in the coal industry, are directly in charge of coal production and are masters on the coal front. The party's trust and expectations for officials and workers on the coal front are great. Officials and workers on the coal front must not forget for a moment the major trust and expectations of the party, which made them stand on the frontline of socialist economic construction, and must more persistently wage the struggle to celebrate the 50th anniversary of the party's founding by achieving unprecedented upsurges in coal production.

Strengthening the supply work and social assistance for coal production is an important condition for increasing coal production. Plants and enterprises related to the coal industry must responsibly supply pit props, explosives, coal cutters, coal trucks, and other equipment and material necessary for coal production to coal mines in

a timely manner, and must decisively improve the quality of such equipment and material. Party organizations, officials, and workers from all sectors and units must consider assisting the coal front as necessary work of their own sectors and units, and must vigorously wage an all-society campaign to assist coal mines in terms of manpower and material.

Giving top priority to coal production is the great leader's [widaehan suryongnim] behest and our party's consistent policy on socialist economic construction.

Officials and workers in the coal industry must pool all their wisdom and energy to implement the party's sacred intention, thus contributing to brilliantly decorating the grand October festival and making our country, our fatherland, prosperous.

#### **Auto Parts Plant Reportedly Saves Electricity**

*SK0211112995 Pyongyang MINJU CHOSON  
in Korean 17 Sep 95 p 1*

[FBIS Translated Text] The Hamhung Automobile Parts Plant is increasing the production of parts while saving a lot of electricity by properly organizing alternative production, upholding the party Central Committee's slogans.

Upholding the party's intent, after setting a goal to save electricity by using 15 percent less than the allowed limit, the plant is tenaciously carrying out economic organization work to achieve the goal.

The general staff of the plant organizes alternative production not with all facilities, but with a necessary number of facilities of each kind, taking the overall capacity of the plant into consideration.

The general staff emphasizes organizing alternative production by planers at the parts and repair shops, which conduct a lot of planing work, and designing the shops' processing lines like interlocking gears to heighten efficiency.

Based on its experience in organizing alternative production by planers, the plant has organized alternative production for all facilities, including heating facilities, forging facilities, and cutting facilities, thus saving a large amount of electricity.

The plant has also concentrated great efforts on enhancing the responsibility and technical skill of machinists and operators so as to reduce the time required for processing products. As a result, the plant has reduced the consumption of electricity for manufacturing a product by an average of four percent.

The plant has renovated all three-pole switches and is properly using alternative production organizers while



carrying out the struggle to fully utilize even minor means to save electricity. By doing so, it has achieved great results.

In conclusion, the plant has reduced electricity consumption by as much as 20 percent since the beginning of the year.

#### **Kusong Profiled as Producer of Machine Tools**

*SK0111150395 Pyongyang KCNA in English  
1502 GMT 1 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 1 (KCNA) — Kusong city, North Phyongan Province, the Democratic People's Republic of Korea, is a machine tool producer.

There are several machine tool factories in the city.

Machine-building industry takes 65 percent in the city's industry with machine tool taking the largest share in the production of machines.

It was from nearly 40 years ago that machine tools began to be produced in the city.

The great leader President? Kim Il-song found the site of the machine tool production base when he gave on-the-spot guidance to the city in January 1954, the year after the ceasefire.

Later, he went to the city several times and clearly indicated the orientation and ways of the development of machine-building industry. ? In August 1967 he visited the then Kusong Machine Tool Factory and saw program automatic lathe and other kinds of machine tools made by its workers. He named them "Kusong No.1" and "Kusong No.2" and set a task to manufacture many up-to-date and efficient machine tools.

The workers and technicians of the factory launched a vigorous technical innovation movement to comprehensively mechanize and automate the production processes and considerably increase the production capacity.

Now lathes and drilling machines of various types as well as latest-type machine tools are massproduced in the city.

The products are very popular in domestic and foreign markets.

The production of machine tools has been on a steady increase. As of the end of last year it jumped 19.4 times the figure in 1959.

In the city there are a technical university and a college of mechanical engineering.

#### **Editorial Report on 'Voluntary' Relocation**

*SK0311101295*

[FBIS Editorial Report] The following is a compilation of reports on people who volunteered to move to rural or mining areas, as well as reports on the delivery of Kim Chong-il's thanks to such volunteers, carried by Pyongyang Korean Central Broadcasting Network in Korean and by Pyongyang Korean Central Television Network in Korean.

At 1100 GMT on 23 October, Pyongyang Korean Central Television Network in Korean carries a one-minute report on the "voluntary advance" to Chilli Mine in the Anju District Mining Complex and Hungnyong Mine in Kangdong District Mining Complex respectively by two workers at the Central Heating System Complex. The report also says two other workers, who had worked for Mangyongdae Machinery Tools Plant, have volunteered to work at a rural community in Yongnim-ri, Mundok County.

At 1100 GMT on 24 October, Pyongyang Korean Central Television Network in Korean also carries a one-minute report on another voluntary move to rural areas. The reports says that "Comrade Yi Sun-kum, a designer at the Pyongyang City Designing Office, has recently volunteered to advance to Chaha Cooperative Farm in Sinwon County, South Hwanghae Province, which bears the memory of receiving the leadership of the great leader [widaehan suryongnim] and the respected and beloved general [kyongaehanun changgunnim]."

At 2100 GMT on 25 October, Pyongyang Korean Central Broadcasting Network in Korean carries a two-minute report on those who "volunteered to advance into socialist rural areas" and received Kim Chong-il's thanks for their deeds. The report says Kim Chong-il sent thanks to "10 members of the League of Socialist Working Youth of Korea [LSWYK], including Kim Kwang-chun of the 21 September Refinery Station, graduates of a senior class of Kungang Senior Middle School and their teacher Kim Kyong-sun, and responsible instructor of LSWYK So Myong-hun."

At 1100 GMT on 26 October, Pyongyang Korean Central Television Network in Korean carries a brief report on the recent "voluntary advance" of Pak Kyong-hui, a graduate of Pyongyang Songsin Senior Middle School, to Wonsa Cooperative Farm in Ongjin County, South Hwanghae Province.

At 1100 GMT on 29 October, Pyongyang Korean Central Television Network in Korean carries a two-minute report on the delivery of Kim Chong-il's thanks to Yi Myong-ok, a plant worker, who "voluntarily



moved to a socialist rural community." The report says speakers at the meeting "expressed their resolution to achieve new results in implementing the party's revolutionary economic strategies under the leadership of the great general [widachan changgunnim] while bearing the teaching left by the fatherly leader [oboi suryongnim] who endlessly walked along footpathd in rice fields so that our people could eat white rice and meat soup."

In addition, the television then carries a brief report on the move to a rural area by the family of a worker of an Administration Council agency. The report says "Kim Wan-chong, who worked for a material supply agency of the Administration Council External Service Bureau, has recently volunteered to venture to a general farm in Taehungdan County, Yanggang Province, with his family."

At 1100 GMT on 2 November, Pyongyang Korean Central Television Network in Korean carries a brief report on the recent "voluntary advance to Kaechon District Mining Complex by Yi Ok-chu, a worker at Pyongyang Clothing Plant." The report says: "She was filled with firm resolution to uphold respected and beloved General Kim Chong-il while fulfilling her loyal and filial duties for him by devoting all her energy and wisdom to the struggle to increase coal production so as to actively contribute to enriching our country, our fatherland."

### **South Korea**

#### **U.S. Consul General on Improving Visa System**

*SK0311022795 Seoul CHUNGANG ILBO in Korean*  
*3 Nov 95 p 21*

[FBIS Translated Text] On 2 November, Kathryn Dee Robinson, consul general of the U.S. Embassy in Seoul, stated: "Beginning 6 November, we are going to interview student visa applicants on the day of their visa application."

She added: "We will take measures to improve the visa issuance system, such as allowing visa applicants to arrange interview appointments by facsimile."

She made these remarks at an informal meeting with reporters at the Sorabol Hotel in Pusan, adding: "The embassy will increase the number of member agencies in the Travel Agency Referral Program (a system that exempts interviews for qualified applicants who apply for visas through these agencies) early next year, and will give priority to agencies in local areas, such as Pusan, rather than Seoul."

#### **Security Consultative Meeting Held With U.S.**

*SK0311030395 Seoul KBS-1 Radio Network*  
*in Korean 0204 GMT 3 Nov 95*

[FBIS Translated Text] The share of the U.S. Forces in the ROK [USFK] defense budget burden will increase by 10 percent each year. During the 27th Annual ROK-U.S. Security Consultative Meeting held today, National Defense Minister Yi Yang-ho and U.S. Secretary of Defense William Perry decided to increase the USFK's share of the defense budget by 10 percent every year over the following three years. Accordingly, the USFK's share of the defense budget for 1996 will be \$330 million, a 10 percent increase from 1995.

In a joint statement they announced after the meeting, the two countries' ministers reconfirmed that security on the Korean peninsula is absolutely important in maintaining peace not only in Asia but in the world, and agreed to develop cooperative relations for security between the two countries.

They shared the opinion that peace and security on the Korean peninsula should be fixed through direct dialogue between South and North Korea and stressed that inter-Korean dialogue and cooperation should be resumed in accordance with the South-North basic agreement signed in 1992.

They also shared the view that the Armistice Agreement should be maintained until a durable peace mechanism is established based on direct dialogue between South and North Korea.

In addition, they reconfirmed the U.S. commitment on security. U.S. Secretary of Defense Perry stated that the United States will provide the ROK with immediate and effective assistance to prevent the invasion of the ROK in accordance with the ROK-U.S. defense agreement on mutual cooperation. In particular, Secretary Perry reiterated the U.S. commitment to provide the ROK with its nuclear umbrella.

Regarding the North Korean nuclear issue, the two countries urged North Korea to thoroughly observe its obligations under the Nuclear Nonproliferation Treaty and the nuclear safeguards accord of the International Atomic Energy Agency, in accordance with the U.S.-North Korea agreed framework.

The two ministers expressed concerns about the fact that North Korea is increasing its conventional war capacity and is pushing ahead with the development of long-range missiles, and noted that this creates anxiety and threats on the Korean peninsula and in Northeast Asia.



**Agreement on DPRK Nuclear Program**

*SK0311093295 Seoul YONHAP in English*  
0838 GMT 3 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 3 (YONHAP) — South Korea and the United States have agreed that they will continue to work together to ensure the transparency of North Korea's past, present and future nuclear activities and that South Korea will increase its contribution to the maintenance of U.S. Forces in Korea (USFK).

In their joint communique adopted at the end of the two-day 27th Korea-U.S. Security Consultative Meeting (SCM) here Friday, South Korean Defense Minister Yi Yang-ho and his U.S. counterpart William Perry urged North Korea to fully comply with its obligations under the Nuclear Non-Proliferation Treaty (NPT) and its International Atomic Energy Agency (IAEA) obligations to ensure its nuclear transparency.

Yi and Perry also reached a new cost-sharing accord associated with the combined defense of South Korea, under which South Korea will increase its contributions to the maintenance of USFK by 10 percent annually for the next three years.

Accordingly, South Korea will pay 330 million U.S. dollars to the U.S. in 1996, 363 million dollars in 1997 and 399 million dollars in 1998, compared with 300 million dollars this year.

Secretary Perry reaffirmed the U.S. commitment to continue modernizing USFK and to render prompt and effective assistance to repel any armed attack against South Korea pertinent to the Korea-U.S. mutual defense treaty of 1954 and to provide a nuclear umbrella for the South.

The two ministers further agreed that a conventional arms control program and other confidence-building measures between the two Koreas could reduce tension and contribute to mitigating a possible confrontation on the Korean Peninsula.

Minister Yi and Secretary Perry stressed that the peace and security of the Korean Peninsula should be established through direct dialogues between South and North Korea.

They also reaffirmed that the "Joint Declaration on the Denuclearization of the Korean Peninsula" should be implemented, and urged that inter-Korean dialogues should resume on the basis of the South-North basic agreement concluded in 1992.

Also, Yi and Perry shared the opinion that the 1953 Military Armistice Agreement remains valid until it is

replaced by a permanent peace arrangement through direct negotiations between the two Koreas.

Meanwhile, the two ministers agreed at a separate one-on-one meeting that they will hold negotiations sometime this month to discuss whether or not to scrap a letter of guarantee, which restricts the South's development of missiles with ranges of more than 180 kilometers, and the issue of South Korea joining the Missile Technology Control Regime.

**Kyonggi Police Plan SOFA Crimes Task Force**

*SK0111061995 Seoul THE KOREA TIMES in English*  
1 Nov 95 p 3

[FBIS Transcribed Text] The Kyonggi-to Police Agency said yesterday that it will launch a task force to deal with crimes by off-base U.S. servicemen promptly and efficiently.

Its spokesman said that the special squad will also coordinate investigation with subordinate police stations where such crimes take place.

The decision followed its agency self-evaluation that many of U.S. soldiers' crimes were improperly handled last year because of lack of investigators capable of dealing with them.

It is said that police station personnel who don't speak English were assigned to some of such cases and that they bungled the cases by being not able to secure evidence or delaying reports to the agency.

He said, "The special squad will be staffed with those who have a good command of English, not to mention investigating capabilities, to deal with U.S. soldiers' crimes fairly and efficiently."

According to the agency, a total of 301 crimes allegedly committed by U.S. servicemen took place in Kyonggi-to, home to many American military facilities.

They comprise four robberies, two rapes, 22 thefts, 101 beatings and others.

However, 300 of them were dismissed due to faulty investigations or the failure to secure evidence. Only one U.S. serviceman proved to be culpable, and was handed over to U.S. military police.

**Firm Receives Maintenance Order for US Vehicles**

*SK3110091395 Seoul MAEIL KYONGJE SINMUN*  
in Korean 27 Oct 95 p 12

[FBIS Translated Text] Samsung Aerospace has recently received an order from the U.S. Forces Korea [USFK] to improve the performance of the USFK's



ammunition-transport vehicles for their 155mm self-propelled guns, and signed a contract to improve the performance, maintenance, and supply of parts for these ammunition-transport vehicles, from December this year to the end of 1996.

Under this contract, Samsung Aerospace will improve the performance of said vehicles by upgrading the existing 400-horsepower engine to a 440-horsepower engine, and by improving and replacing the body and parts.

The ammunition-transport vehicle Samsung Aerospace is to improve is auxiliary equipment designed to supply ammunition to the U.S. 155mm self-propelled guns.

Along with the self-propelled guns, these vehicles have been in operation since the mid-1980's and are part of the 1,700 vehicles possessed by the USFK. Samsung Aerospace has been producing the 155mm self-propelled guns under a technological license agreement with the U.S. firm UDLP [expansion unknown] since 1984.

#### **U.S. Reportedly Denies MFN Status Promise**

SK0311022595 Seoul YONHAP in English  
0212 GMT 3 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 3 (YONHAP) — The U.S. Government on Friday denied a recent press report that it promised to continue to accord South Korea most-favored-nation (MFN) status in the financial services sector.

The denial, issued by the U.S. Information Service (USIS) in Seoul, followed a South Korean press report that in an early October meeting between South Korea's Deputy Finance and Economy Minister Sin Myong-ho and U.S. Assistant Treasury Secretary Jeffrey Shafer the United States promised to continue to accord Seoul MFN status in the financial services sector.

"The government of the United States made no such promise. In fact, the U.S. Government made it clear that Korea must commit to further liberalize its financial sector if it wishes to continue to enjoy the level of access to the U.S. market accorded to countries that receive most-favored-nation treatment," a spokesman at the USIS said.

"In response to Deputy Minister Sin's request, Assistant Secretary Shafer stated that, in view of Korea's current policies with respect to foreign financial institutions, the United States is not prepared to provide additional assurances to guarantee Korea MFN status with respect to new access to the U.S. market, expansion of existing operations, or undertaking new activities," the spokesman said.

#### **Recent North Moves for New Peace Regime Analyzed**

SK0111071895 Seoul THE KOREA TIMES in English  
1 Nov 95 p 14

[Article from the "Anniv. Special" section by staff reporter Son Ki-yong: "NK Revs Up Propaganda for New Peace Regime"]

[FBIS Transcribed Text] On Oct. 19, North Korea scaled up its propaganda offensive against South Korea by threatening to completely scrap the Armistice Agreement on the Korean peninsula should the United States continue to refuse talks to discuss a new peace regime.

The warning could be dismissed as a casual statement, timed with the inception of a South Korea-U.S. joint military exercise, '95 Foal Eagle, which Pyongyang claimed is tantamount to Team Spirit.

However, it goes without saying that Pyongyang had sought a phased demolition of the armistice system which is one of the important pillars bolstering security on the Korean peninsula since it was established in 1953 with the close of the three-year Korean War.

The North Korean Foreign Ministry's statement reads, "North Korea will not have any alternative but to take measures to remove by its roots the armistice system if the United States continues to build tension in the region."

The statement urged the United States to engage in direct talks with the North to come up with a peace pact to replace the Armistice Agreement because South Korea had nothing to do with it. In 1953, United Nations Commander Mark Clark, on behalf of South Korea and 16 participating countries of the Korean War, signed the agreement with his North Korean and Chinese counterparts.

Pyongyang further threatened to take additional actions to settle the controversy if Washington continues to neglect its responsibility as a "legal" party of the peace system on the peninsula.

North Korea watchers here view that Pyongyang aims to make Washington take responsibility for the breakdown of the peace system in case the Armistice Agreement loses its force. At the same time, North Korea has stressed Washington's role and responsibility in peace and security on the Korean peninsula to make it positively approach the peace treaty issue, they added.

During the past several years, North Korea has sought to virtually paralyze functions of the Military Armistice



Commission (MAC) and the Neutral Nations Supervisory Commission by coaxing their member countries to withdraw their representatives. In December last year, China bowed to North Korea's pressure and withdrew its delegates to the MAC, and in February, North Korea effectively evicted Polish military officers monitoring the truce between South and North Korea by cutting off all supplies to them.

Now, it appears that North Korean strategists are mulling taking the next step in the direction of completely tearing down the armistice system and establishing a new peace agreement with the United States, a move which is eventually aimed at communizing the Korean peninsula through the withdrawal of U.S. military forces stationed in South Korea.

According to a report by the Research Institute for National Unification the North Korean initiative consists of four stages of actions aimed at establishing a peace mechanism: the implementation of non-aggression between South and North Korea, the establishment of U.S.-North Korea peace treaty, disarmament, and the pullout of U.S. military forces from the Korean peninsula.

The report, compiled by the institute's five research fellows, including Che Song-ho, indicates that the North Korean leadership had used the peace treaty issue as a safety net to maintain its current system. North Korea has faced ever-increasing international isolation, ideological instability, economic hardships and delay in the official transfer of power.

Pyongyang has also sought to sign the U.S.-North Korea peace pact to scrap the South Korea-U.S. mutual defense treaty, realize the pullout of U.S. military forces and remove the United States' nuclear umbrella over South Korea, which will eventually create the atmosphere for "the communization" of the southern part of the Korean peninsula.

It also tried to take the upper hand in its negotiations with the United States by making full use of the issue as a "bargaining chip" and loosen alliance and policy coordination between South Korea and the United States.

However, the North Korean initiative faces stiff rejections from its allies and foes alike.

In principle, China appears to oppose the signing of a peace treaty between the United States and North Korea because it could mean the phaseout of its influences over the Korean peninsula. However, Beijing maintains its leverage toward North Korea by accepting Pyongyang's demand for the withdrawal of Chinese representatives to the MAC.

The United States, meanwhile, maintains the view that the current armistice system should be in force until it is replaced by a new peace regime, thus making the North Korean overture an "echoless" one.

The institute's research fellow Che said that the most controversial part of his report is the introduction of a transitional stage in the process of replacing the armistice system with the South-North peace treaty.

"The transitional stage, marked by the establishment of non-aggression treaties between South Korea and China and between North Korea and the United States, will create the atmosphere for signing a South-North peace treaty," he said.

However, the research fellow admitted to the possibility that the Seoul government will be reluctant to take the approach because it could give the wrong message to North Korea.

He said that the transitional stage, which takes the form of a "compromise," is indispensable to dissuade North Korea from striving to sign a peace treaty with the United States.

If North Korea agrees to sign a peace treaty with South Korea, the necessity of international guarantees arises.

Last year, then-foreign minister Han Sung-chu said that South Korea will seek to sign a peace treaty with North Korea and have the "countries concerned" endorse it later.

However, the government is still refusing to comment on what kind of peace formula Seoul has in mind even though it has closely consulted countries concerned, including the United States and China.

In the so-called "two plus two" peace formula, China and the United States are picked as two entities which will endorse the inter-Korean peace treaty.

Japan and Russia are two additional entities if the "two plus four" system is introduced on the Korean peninsula. They have shared Seoul's positions on the armistice system even though they oppose the "two plus two formula," seen the most viable under the current circumstances.

As President Kim Yong-sam has declared in his Aug. 15 speech marking the 50th anniversary of Korea's liberation from Japan's colonial rule, Seoul feels any new peace regime on the Korean peninsula should be created by the participation of two direct parties-South and North Korea.

Seoul also stresses the importance of neighboring countries' taking part in the maintenance of the peace pact



between the two rival states a "practical approach" to guaranteeing peace and security on the Korean peninsula.

However, a peace formula will remain nothing but a daydream as long as the two direct parties, South and North Korea, are locked in rivalry and confrontation.

The government, on the other hand, is preparing for a sudden collapse of the North Korean regime, which could lead to the German-style "unification by absorption."

Under the current circumstances, the government will deal with North Korea in the most practical and flexible manner rather mulling on whether to contain or assist it," Vice Foreign Minister Yi Si-yong said.

Very recently, North Korea sent an armed infiltration [as published] through the Military Demarcation Line only to be shot dead. In addition it sent two armed agents deep into the South at Puyo to take back to North Korea, an espionage agent operating here. One was captured and the other was shot dead.

This well tells of the thorny road to inter-Korean reconciliation. What the infiltration is all about if it is not to worsen? Such unexpected event broke out only a month after South Korea provided the North with \$250 million worth of rice free of charge out of humanitarian concern. But the answer was far from the expectation of common people. [paragraph as published]

#### **DPRK Infiltrators Part of 'New Generation'**

SK0311122895 Seoul YONHAP in English  
1214 GMT 3 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 3 (YONHAP) — The two North Korean agents who were captured or shot dead in shootouts near Puyo in central Korea last week were "new-generation agents" who had gone through extensive training for their adaptation to the South's life style, the Agency for National Security Planning (NSP) reported Friday.

An NSP official said that because of the training, the intruders could live and behave at relative liberty in the South since their infiltration last August.

"They looked smart just like ordinary urban youths in the South and on the strength of the familiarization training, they could mingle freely with South Koreans," the official said.

He said the agents carried with them plenty of money in greenbacks, with which they bought some espionage supplies like a Japanese-made high-performance short-wave radio let alone daily necessities.

Another thing that made possible their free activities in the South was the exquisitely forged resident's registration cards they possessed.

Unlike in the past, the names appearing on the cards they had were real men — one in Seoul and another in Pusan, and the forgery was almost perfect, he said.

Besides, the official said, the espionage supplies they carried from the North were more advanced in quality than those used by earlier intruders.

The radio transmitter they used was a memory type and poison found in their pockets were so poisonous that even a fraction of it could kill them in a matter of seconds, he said.

#### **President on DPRK Policy, Kwangju Issue**

SK0111084995 Seoul THE KOREA TIMES in English  
1 Nov 95 p 2

[ "Questions and answers from exclusive interview" with President Kim Yong-sam, by President Cho Pyong-pil and Managing Editor Kim Myong-sik of THE KOREA TIMES, on the occasion of the 45th anniversary of the founding of THE KOREA TIMES; place and date not given]

[FBIS Transcribed Text] Question: Now that the nation will become a non-permanent member of the Security Council of the United Nations, how will this enhance the role of Korea in the international community?

Answer: There persists a pessimistic view of the U.N. Still, the world body has contributed to the prevention of war. There will be no alternative that can rival the world body in enhancing world peace and human welfare.

Korea will take a role in cooperation with other member nations in solving international issues. Particularly we will actively participate in the Peace-Keeping Operation and economic and social development programs.

Korea's joining the Security Council will help maintain peace on the Korean peninsula. We will make capital contribution to the United Nations commensurate with our capacity in accordance with international practice.

Q: Please touch on the reformist programs you have vigorously pushed through despite some criticism.

A: We cannot stop pushing reforms for survival in an increasingly competitive society. In the latter half of my term, I will continue with reformist and globalization programs in the fields that have direct links to the livelihood of the people. I will minimize the inconveniences to the people that are likely to accompany the reform programs.



**Q:** Please talk about the globalization program which has been pushed since you broached the idea in November 1993 in Sydney.

**A:** The results of the program are beginning to take shape. However, they reveal themselves in different ways, depending on the area. The most noticeable perhaps is the change in the people's way of thinking. Currently, reform in education and in legal profession is being pushed or about to be pushed under the globalization program. During my term in office, reform and change will be pushed unabated. Globalization is the centripetal philosophy of the current administration, guiding the direction of reform programs.

**Q:** Despite the good showing of various economic indexes, the number of small and medium industries going broke is sharply rising. Could you talk about your idea of buttressing the small firms, and do you have any ideas on how to ease regulations to lure more foreign capital?

**A:** Various programs are being pushed to help the small businesses out of the conviction that they are the backbone of the nation's economy. Particularly, the government plans to introduce a special law to help small and medium industries during the on-going session of the National Assembly. They face various problems in the course of adjusting to changes. However, various government relief programs will begin to pay off.

The government has been pushing for softening various regulations affecting foreigners' activities. The environment for foreign investors is improving. As a result, the amount of investments here by foreigners amounted to \$1.4 billion as of September.

The government is considering doing away with the present "approval" system for foreign investments beginning 1997, allowing foreign businessmen to merge with Korean firms. At the same time, the system of direct investment by foreigners will be greatly improved in accordance with the international norm.

**Q:** Due to the rise of regional rivalry, the ruling Democratic Liberal Party will face an uphill battle in the next parliamentary elections. What are the guidelines for the selection of candidates? Do you have any one in mind who will top the list of candidates for the proportional representative seats? (The candidate is likely to be the ruling party's standard bearer for the 1997 presidential election.)

**A:** It is really regretful that exclusive regionalism is gaining force at a time when the world is moving to a single community. It's a grave sin before the nation and history to split the nation at a time when it is struggling for survival in the face of unlimited

international competition. I think the people are wise enough not to tolerate the rise of regional enmity.

It is too early to commit myself to the matter of selecting candidates. Those who are qualified to realize new politics and trusted by the people will be nominated. As to the top candidate for the proportional representative seats, now is not a time to say anything about it.

**Q:** Now people are clamoring to bring to legal justice those responsible for the armed suppression of the people's uprising for democracy in Kwangju. Do you have any plan to solve the issue?

**A:** It should be solved from a broad standpoint. It is proper now to wait for a ruling by the Constitutional Court on the decision of the prosecution not to indict. I was under house arrest for three years by the military regime that came to power after quenching the citizens' uprising for democracy in Kwangju. To protest the armed suppression, I fasted 23 days. I too am a victim of the military regime, and there will be a time for me to reveal my position.

**Q:** You indicated in a congratulatory speech on Aug. 15, Liberation Day, that Seoul would seek to create a peace system between South and North Korea in cooperation with countries concerned. How can you actually implement this issue? And how do you intend to conduct inspections of North Korean nuclear facilities?

**A:** The South and North, as direct parties, should first agree to a new peace system, and then neighboring countries will endorse this peace system. The government will firmly maintain this principle and strive with patience to induce North Korea to change its attitude. With regard to the inspections of North Korean nuclear facilities, we will seek to resolve it through international coordination which is currently underway and make utmost efforts to realize mutual inspections between South and North Korea.

**Q:** The government's North Korea policies, which had been criticized for being inconsistent, appear to have taken the right track now. Could you talk about the government North Korea policy?

**A:** Our North Korea policies have to be flexible because of its unpredictability at this time when international situation is uncertain. Under the principle that the government will seek to improve inter-Korean relation by inducing North Korea to change its attitude toward South Korea, we will maintain a flexible posture but sternly deal with any form of aggression or irrational actions from North Korea. This principle will be kept up.



**Q:** I believe that it was appropriate to have reorganized the administrative structure last year in tandem with globalization and localization in an era of reunification. However, many believe that the restructuring was not comprehensive, rather limited to the government's economic branches. Do you have a second major restructuring in mind? Many experts note that it is desirable to place the Information and the Government Administration Ministries under the wing of the Prime Minister's Office.

**A:** The government has strived to streamline its organization and establish a "small but strong" government. We will closely study the future restructuring in accordance with the shifting administrative environment. You mentioned the restructuring of the Information and Government Administration Ministries. However, I find it hard to reduce the functions of the Government Administration Ministry because it must carry out the important missions of having public officials armed with globalized attitudes and necessary expertise. The Information Ministry is also playing a crucial role to propagate Korea's images across the world and help the people reach a consensus in major issues.

**Q:** With regard to the inter-ministerial disputes in the recent Korea-U.S. car talks over who is in charge of overseas trade bargaining, many raised the necessity for setting up a new organization charged exclusively with trade affairs. Do you have any plan to establish a president-commissioned trade body like USTR [United States Trade Representative]?

**A:** As our annual trade volume reaches 200 billion dollars, trade disputes become daily events. Therefore, it is of utmost importance that we ensure sufficient policy coordination among ministries concerned and at the moment, I don't have any particular thing in mind besides invigorating the activities off the Overseas Economic Policy Coordination Committee.

**Q:** I believe that the main agenda for the APEC leaders' meeting in Osaka in November will be economic cooperation and trade issues, especially the U.S.-proposed import liberalization of agricultural products within APEC. What is our position on this issue?

**A:** The government plans to actively push ahead with liberalization in its belief that the liberalization of trade and investment among APEC countries will greatly contribute to mutual understanding and economic cooperation. However, I believe that special considerations should be given to such fragile industries as agriculture in terms of the speed and method of liberalization. That is because it is impossible to restructure the agricultural sector in a short period.

**Daewoo Technicians Leave for DPRK 21 Oct**  
*SK3110060895 Seoul HANGUK ILBO in Korean*  
31 Oct 95 p 2

[FBIS Translated Text] Five technicians of Daewoo Corporation who returned after providing technical guidance to North Korea on installing machines in the joint-venture plant at Nampo industrial complex, have again left for North Korea on 21 October, and are presently staying there. This was revealed by the National Unification Board [NUB] on 30 October.

A relevant NUB official stated that, "Daewoo technicians completed the installation of machines last month, which was one of the reasons for their initial visit to North Korea. The purpose of their current visit is technical guidance on processing-on-commission trade for shirts, blouses, and the like." He added that "Daewoo has asked the NUB for permission to replace the technicians it sent to North Korea. Since the project in Nampo industrial complex is being carried out within the framework of model economic cooperation, the NUB intends to approve the request for their visit to North Korea."

**Plan To Train Textile Workers**

*SK3010065795 Seoul YONHAP in English*  
0627 GMT 30 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 30 (YONHAP) — Five technicians from the Daewoo Business Group arrived in North Korea last weekend to teach workers there the skills necessary to manufacture clothes, the Daewoo Corp. said Monday.

They are five of the seven Daewoo technicians who already made a visit to North Korea earlier this year and returned on Sept. 26.

Since they entered the North on Oct. 21, only four days after North Korean agents tried to infiltrate the South via the Imjin River, sources guardedly said that inter-Korean economic cooperation does not seem hindered by the recent North Korean intrusions.

A Daewoo spokesman said, "Five of our technicians arrived in Beijing on Oct. 20 and left for Pyongyang the next day aboard an Air Koryo flight. We have not made a special request for North Korea to guarantee their personal safety."

On May 17 this year, the Daewoo group was allowed to go ahead with a project in which it intends to invest 5,120,000 U.S. dollars in three projects — producing shirts, bags and jackets — in an industrial complex located in the North Korean port city of Nampo.

The technicians are sent to train skilled workers in the fields of shirt and blouse manufacturing in preparation



for processing-on-commission trade of clothes between Daewoo and North Korea, according to company officials.

Meanwhile, Daewoo is working out plans to sign a contract with North Korea to establish a joint venture business in an industrial complex in Nampo, North Korea.

Daewoo technicians have already been granted permission by the government to visit North Korea and may return at any time until July next year.

#### **LG Corporation Imports Ski Gloves From DPRK**

*SK3010134195 Seoul MAEIL KYONGJE SINMUN in Korean 30 Oct 95 p 9*

[FBIS Translated Text] Toward the end of this month, the LG Corporation (President Pak Su-hwan) will reap the first fruits of its light industrial processing trade with North Korea, which was jointly carried out with small and medium enterprises in that country.

On 31 October, for the first time, LG will import 8,000 pairs of ski gloves which were manufactured under subcontract with North Korea, shipping them from Nampo Port in North Korea to Incheon in the ROK via the (Onduras) international carrier.

These ski gloves, which will be introduced into the ROK for the first time, were ordered by a domestic small and medium enterprise called "S". The gloves total \$40,000, including the second shipment.

Before the end of this year, LG will produce on commission in North Korea samples of light industrial goods such as shoes, wigs, umbrellas, and clothes, then import them into the ROK. After assessing the quality of those goods, it will import an additional two or three items that have been tested positively.

At the end of last year, LG openly invited application from small and medium enterprises that wanted to do business with North Korea. Of 350 enterprises, LG selected 50, and has carried out the work to produce ten items in North Korea, including shoes, clothes, underwear, gloves, umbrellas, and wigs.

As regards 20 inch color televisions that LG Electronic Company, a subsidiary of the LG Group, wants to produce in North Korea, the institute of the LG Electronic Company is now testing the quality of six television sets manufactured in North Korea.

#### **Transcript of Kim Chong-il 'Secret' Tape Viewed**

*SK0211101195 Seoul WOLGAN CHOSON in Korean Oct 95 pp 104 - 128*

[Article by WOLGAN CHOSON Senior Reporter Cho Kap-che, including the transcript of "secret" tape-recorded conversations between Kim Chong-il and film director Sin Sang-ok and his wife, actress Choe Un-hui: "Recorded Tape of Kim Chong-il's Live Voice — 60 Minutes of Astonishing Confessions Similar to That of a Reactionary"; portions of Kim Chong-il's recorded conversations as published]

[FBIS Translated Text]

#### **Criticism by One Who Is Full of Confidence — Grit That Comes From the Gun**

[Cho Kap-che] Although North Koreans often see Kim Chong-il on television, they have heard his voice only once, a single remark that lasted only 10 seconds. There are a number of speculations regarding this: he is too bashful to stand in front of people; he is a poor speaker; he refrains from appearing before the masses in order to make a dramatic emergence later; and the like. Amid such speculation, the audio tape that movie director Sin Sang-ok and actress Choe Un-hui brought with them when they escaped from North Korea in 1986, on which Kim Chong-il's voice is recorded, is very rare and precious, showing fully Kim Chong-il's way of thinking, his inner world, and his human nature. Since the tape stealthily recorded Kim Chong-il's confessions, which were made frankly during private gatherings, it enables one to more precisely judge Kim Chong-il's true nature. While examining this material, reporter Cho Kap-che again realized the limits of printed material and the importance of live voices. The impression and understanding one received of Kim Chong-il by reading transcripts of his voice were amended and supplemented to a major extent when the recorded tape of his voice was heard.

Three-dimensional information about a person's character, nature, habits, way of thinking, and such can only be discerned from that person's voice, not from one-dimensional printed letters. The most shocking portion of the 60-minute audio tape of Kim Chong-il is his merciless and nihilistically contemptuous criticism of North Korea's socialist system.

Kim Chong-il is supposed to be the defender and only inheritor of the *chuche* idea. Moreover, in the past he has advocated that "socialism is an invincible great idea." However, he talked about "the self-contradictory nature of the socialist system" more severely than any "reactionary element." If it had not been Kim Chong-il



who issued such complaints and expressed discontent, he would have been sent to a camp never to return. If North Koreans could hear this recorded tape, or if our government and people enabled North Koreans to hear it by pooling our wisdom and will, the Kim Chong-il system would certainly collapse.

This reporter once asked movie director Sin Sang-ok about the strange behavior of Kim Chong-il and his close associates. Sin answered: "They were like a group of mounted bandits." He meant they have occupied a village called North Korea, and are enjoying a corrupt life, holding the residents as hostage without being troubled by pangs of conscience.

However, Sin pointed out: "We should not misunderstand their singing of ROK songs and their high praise for the ROK economy. Their singing and praise are not prompted by envy or fear of the ROK. Although they admit there is a rich life in the ROK, they think they can possess everything in the ROK if they occupy it by means of armed force, thus showing their grit."

Just as they regard North Korea as their booty, they also regard the ROK as a target of booty. This being the case, they are fond of ROK movies, songs, actresses, and the like because they think the ROK will be theirs some day. This is Sin's interpretation. Besides, socialism and the *chuche* idea are not their faith (because for a group of mounted bandits, faith is not needed), but is merely a tool for ruling the people and for maintaining their regime. Therefore, they can criticize such ideas "without serious mental contradiction."

Such audacity by Kim Chong-il can be guaranteed only through the force of arms. Governments established during military coups by private organizations within the military, such as Hanahoe, are weak under international pressure; however, governments established through guerrilla movements—such as Yugoslavia's Tito, Cuba's Castro, and North Korea's Kim Il-song—last a long time. Those affiliated with guerrilla movements know the one truth derived from experience, which is that the gun is stronger than bread. In other words, it is an article of faith that no matter what the difficulty, "guns cannot be laid down for bread." In Kim Chong-il's "self-assured skepticism and self-criticism," the central point that must not be missed is "his audacity that comes from the muzzle of a rifle." This is because Kim Chong-il's faith is probably not in the *chuche* idea and socialism, but in the power of weapons.

### **Prologue to the Transcript: The First Live Voice of Human Kim Chong-il**

I am reporter Cho Kap-che, head of a department at WOLGAN CHOSON. During the next 60 minutes, I explain this tape.

There is no doubt that North Korea's Kim Chong-il, who is listed as the ringleader of an antistate organization by the ROK constitutional system, and who should deservedly be called the "nation's enemy" in the light of the war, terrorism, and massacres he engaged in against his fellow countrymen, is a human who bleeds, cries, and smiles.

Truly, what kind of human is Kim Chong-il, who exercises great influence over the fate of 70 million Koreans? His official voice made known to the public is the single phrase "Let there be glory for the heroic officers and men of the People's Army!" which was made three years ago during the ceremony for the founding anniversary of the People's Army.

The voice of Kim Chong-il, which you will hear from now on, was recorded by Sin Sang-ok and Choe Un-hui, who were kidnapped by the North in 1978. When they escaped North Korea in 1986, they brought along the tape, which is now being made public to the entire world. In 1989, the Agency for National Security Planning distributed the recorded tape and a transcript to the media. However, this is the first time the taped voice of Kim Chong-il has been made available to the public.

As the voice of a human, it is apt to be filled with character and feelings of ambience which no printed word or picture can convey. If we approach the entity of the human Kim Chong-il through his voice, it will be the means for us to correctly understand North Korea's system and believe that it will add to reducing misjudgment and mistakes regarding North Korea.

There are times when it is difficult to understand Kim Chong-il's recorded comments. It will be easier to understand his recorded comments if you compare it with the transcript carried in the October edition of WOLGAN CHOSON.

### **1. Dialogue Between Kim Chong-il, Sin Sang-ok, and Choe Un-hui (19 October 1983)**

#### **Live Voice Confession by the Ultimate Person Responsible for the Kidnapping**

The first recorded dialogue between Kim Chong-il, Sin Sang-ok, and Choe Un-hui lasted for three hours, beginning at 1800 on 18 October 1983 at a reception hall next to Kim Chong-il's office on the third floor of



the Workers Party Central Committee building. Choe Un-hui reportedly brought a small tape recorder in her handbag, placed it under her feet, and secretly recorded their dialogue. She could not replace tapes, so dialogue was recorded for only 45 minutes out of a three-hour conversation.

That was 10 days after 17 elite ROK bureaucrats were killed in Burma as a result of the Aung San terrorist attack ordered by Kim Chong-il.

At a time when Seoul was depressed and angry due to its national mourning, Kim Chong-il merrily talked about arts and movies like a crazy person. Kim Chong-il confessed he had wanted to abduct Sin Sang-ok to North Korea to have him develop the outdated movie industry, and first kidnapped Choe Un-hui to use her as bait. This may be the first such instance that the ringleader of a kidnapping confessed to his own crime, leaving physical evidence.

#### **"First, You Are From the North"**

[Kim Chong-il] What is the first priority for North-South exchange? It is cultural exchange, cultural collaboration. Then, my calculation was: Under circumstances in which people entered and left according to their own will, I wondered if there was a way to get you, Director Sin, to come to the North of your own will to seek certain purposes? I discussed this with my comrades. I learned from our Hong Kong operating base (this apparently refers to Kim Yong-saeng, who posed as Sin Sang-ok's Chinese business partner) that, according to your older brother (Sin Tae-son was in hiding for five months in Hong Kong following the bankruptcy of Sin Film Studio in the summer of 1977), [you] frequently visited (Hong Kong) and sought to do business there since you could no longer do so in South Korea.

Then, Director Sin, your name was mentioned when the issue of your older brother was raised. I decided to learn about you then, Director Sin. I went over your movies, and went over information about your movies. I asked Comrade Choe Ik-kyu, vice director of a department, who was a section chief then, who the best director in South Korea was. He said it was Director Sin.

First, you are from the North. (ha ha... the three people laugh) Your state of mind at that time, if I tell it now, this is what I thought, you probably did not intend to stay long under Pak Chong-hui, in South Korea. And, it appeared that you intended to leave South Korea and do business overseas. From whom did we hear this? From your older brother. It was said that you, Director Sin, were travelling overseas and returning home reluctantly, and that your real intention was to do business overseas. This is....

[Sin] That was when my license (for the Sin Film Studio) was revoked.

[Kim Chong-il] Yes, yes, yes. Eh, that is all right. Then, we decided to bring you here. We had to bring you here. We thought it was difficult to bring you, a man, here, and wondered what we needed to lure you to the North instead of just bringing you here. This is why we brought you here, Mrs. Choe. (All of them laugh)

What was our intention? I wanted to show that South Koreans, people from the southern half, do come to us, to the bosom of the Republic, and make genuine, eh, movies while enjoying true freedom, not worrying about anything. That was our intention, but, in reality, my thought was, that was the reason I did it that way.

**He Confesses "There Is No Development Because There Is No Competition"** [Cho] Kim Chong-il then criticizes the laziness of North Korean filmmakers, confessing that South Korean movies were on a higher level and that there is no development in North Korea because there is no stimulus.

[Kim Chong-il] When seeing our country, the North and South confront each other in our country. And, worldwide, in the world, what exists in the world, what is the existence, people can visit only socialist countries. They cannot freely visit capitalist countries.

We are engaged in trade with the Japanese. Nevertheless, when we send technicians to them to train our own native cadres and import technology, they do not receive them. Because of hostile relations....

Therefore, what I thought was, what I alone thought, my intention was, eh, I did not tell it to anyone, that we should bring in people who learned Western technology from the Western world and applied that technology proficiently, combine them with our own, and infiltrate the results into the West. As you may have seen, comrades, or rather Mr. Sin and Mrs. Choe, in short, we are people who only see things within the perimeters of our own fence, and believe we are the best. (Laughter) Therefore, we do not compare ourselves with others.... (omitted)

That is, there is a gap between the levels of North and South Korea. Frankly speaking, South Korean actors and actresses make more efforts than our actors and actresses. South Korean players make desperate efforts to improve their dramatic power because they have to make a living by performing on stage, but our players do not because they are guaranteed happy and comfortable lives here without making that much effort and because no one pushes them. This is why our players could not improve their talent as much as South Korean players



did for the same period of time. South Korean players are quite able. Of course, new faces here can be used only once or twice because they have no dramatic power.

The first performance of a new player wins the audience's attention because the player is a new face, but the second and third performances do not because the player lacks talent. This is inevitable.

However, many young actors and actresses are cast in South Korea. They are not used only once. Their second and third performances show certain improvement of their dramatic power.

In short, I have recognized two things. One is the growing demand for promoting new faces in South Korea, and the other is that they make great efforts to improve their talent because otherwise, they would lose their means of livelihood. I actually saw them make desperate efforts.

I have seen South Korean movies and TV historical dramas for 10 years. I saw historical dramas recently made by South Korean rascals. Those who failed to make good historic dramas are ruined. The rascals now...

**"Director Sin, Please Conduct Reforms, I Will Act as Your Shield"**

[Cho] Kim Chong-il's self-criticism continues. In particular, saying he is the only person who can frankly acknowledge and criticize the backwardness of the North Korean system, he even says: "Director Sin, please conduct reforms, I will act as your shield."

[Choe] Watching many movies in the library here, I was also anxious that the movies in the reference movie library had not been utilized. It is possible to give technical instruction to players while seeing the movies. Of course, it is possible not only to imitate the movies but to adapt them in a creative way. I was all hot and bothered while seeing the movies. So, I used to say that I want to see the dear comrade leader as soon as possible to discuss this...

[Kim Chong-il] So, I told my subordinate comrades that both Director Sin and Mrs. Choe came to the North just because our system is good. I said this to the outside world. I told people who work here that your coming to the North had nothing to do with my intention. However, they were still suspicious about what I told them. Anyway, how much can you work here? This is not my intention. But, I, as a politician, really wanted you to come here. So, based on my individual thought and intention, I wanted you to be here, and as a result, Sin and Choe came to the North.

Last March, I wanted to hold detailed talks. However, I did not reveal my intention at that time because there were many people around, and so I just asked you to serve as advisers. Anyhow, this was my intention.

And so, uh, we should admit we are backward, to our backwardness. And, we should admit why we failed to promote new faces.

But, uh, uh, I think I have to say this — if other people were to say this, these people would be criticized for not being satisfied with what they have — ha, ha. That is, they would be branded as flunkeyists. Now, who do I feel is most actively trying to seek new things according to my thinking? He is Deputy Director Choe. Deputy Director Choe has seen most films. This comrade, this comrade, this comrade is nothing but a party functionary. So, when he is asked to do work, this comrade should ask this and that and many things. Also, he should produce as directed, he should film as directed, and he should also accept art as directed. So, when screening films, we cannot find anything new. All films are dogmatic.

There are many scenes, repeated scenes. The plots are filled graphically. Talking about us, for instance, we should feel that a movie is rich in ideology at the end, but why are there so many crying scenes, like a house in mourning? So many crying scenes. Why do we not have movies without crying scenes? Ha, ha. We are not in a house of mourning. Why do we make movies like this?

[Choe] I fully understand. I went to Director Om Kilson's birthday party. I was so embarrassed for (Director Sin's) severe criticism. There will be a time for criticism later...

[Kim Chong-il] No, no, why are you saying so? I am defending you from behind. This is a transitional difficulty that we have to overcome. When we overcome this, people will know the creative direction. Their current sense of creative direction is, frankly, no good.

I tell this to you two only. I asked you to come here today because there is something I want to tell you before you begin your project. Why do I stress this? I have two intentions I would like to convey to you. When you talk to other people, third parties, do not talk so badly about our movies. My intention, my ultimate intention is that if you show a good example of creativity, others will naturally follow you. Eh-eh. Thus, you have to be pioneers, pioneers from now on. That is my intention as to why I need you two. Let us do that.

In the future, too. In the future, when you meet Japanese people, what should you say? In the future,



yes. The South Koreans do not have democracy, do they? No freedom, no democracy. And there is too much interference in creative work. What interference? The anticommunist law. They ask you to produce only anticommunist films. Anticommunist elements here, anticommunist elements there. So, there is no freedom. Mr. Yun I-sang also stressed that point.

[Sin] Anyway, I was kicked out when I lived in the United States.

[Kim Chong-il] That is why. Because you did not have freedom. Ostensibly, you came here to seek freedom, true freedom, to be guaranteed creative freedom. As to the contents of your work, our slogan is not to catch up with advanced countries, but to lead them. It would be natural for you to say you came here to exercise your rights of creative freedom, instead of saying you were forced to come here.

Let me take the film "The Way I Have Discovered" as an example. We had a serious experience with the film. The film "The Way I Have Discovered" was presented in a film festival conducted in Sihanouk's Cambodia in the past. I found Sihanouk liked films very very much. I visited Cambodia to attend the film festival.

Relations between Cambodia and us were very good. At that time Sihanouk was in office, Sihanouk asked us to present our films in the festival. So, I attended the festival with the film "The Way I Have Discovered."

At that time, our subjectivity was very serious. (laughter) At that time I examined the contents of the film and found that it looked like a film encouraging the anti[Cambodian]government guerrilla units and opposing the present [Cambodian] Government. Ha, ha, ha...

Such being the situation, we asked Cambodia's pardon and apologized for it, because we had not realized that. So, we asked for Cambodia's understanding. And we returned home soon after we registered at the festival. It was indeed shameful.

After returning home I told the film producers not to bring the films presented in the festivals to any future festival. I also told them to report to the party without fail.

Sihanouk was very angry. At that time he told me that there were antigovernment guerrillas in Cambodia.

So, without meaning it, the film encouraged the antigovernment guerrillas to overthrow the Kingdom. Sihanouk was very angry. Our delegation continued to apologize until the moment they returned home.

Well, in light of this case, we have no film that can be presented in a world film festival.

I am sorry I cannot give you pleasure and satisfaction. Talking about pleasure and satisfaction, you are kindergarten children in the beginners' stage. The South, the South now has all mid-level technologies. They are college students. They are at the college level while we are at the kindergarten level. Still, our people do not want to accept new ideas. Internally, this is another revolution of ours. If we do not turn it upside down in a revolutionary manner and renew the film industry purposefully with a big goal, and if we do not catch up in 10 years, frankly speaking, from the international point of view, our film art may become the most backward one, at the tail end of backward countries.

[Sin] Anyhow, it is fortunate that the dear comrade leader knows the film industry.

[Choe] How fortunate.

[Kim Chong-il] Those people should thank me.

[Sin Sang-ok] How fortunate it is that you know the whole thing from a single bit of information.

#### **Kim Chong-il Despises Textbook-Like North Korean Movie**

[Cho] In the following conversation, Kim Chong-il criticizes North Korean film makers, who are making movies not as an art but like hard textbooks because of ideological restraints.

[Kim Chong-il] I told you about the movie "The Star of Korea." Those who made the movie are too ashamed to talk about the movie again. I tell you, that is history. Those who cannot read history books and watch movies. That is not art but history. Do you remember the scene of the dying mother in Gorky's (Russian novelist) "Mother (a Russian socialist movie based on the Gorky's novel)?" Frankly speaking, the dying scene could use a more artistic touch.

[Choe] What a shame. That scene.

[Sin] One needs to starve for two weeks to take that scene. (laugh)

[Kim Chong-il] That fat lady. I kept telling myself this is history, history, but it needs to be redone someday. Do you remember when Mrs. Choe and I talked about the movie "A Story About General Chi?" What a good story? The actors ruined it, and the editors ruined it.

#### **We Should Open Up to the Outside World. However, This Is Self-Contradictory.**

[Cho] Kim Chong-il expresses sympathy for the idea that North Korea, which has been dominated by the 10



principles of unitary ideology like the Ten Commandments, should open up. But he is in a dilemma because he cannot do so. He admits the following:

[Kim Chong-il] During my visit to Moscow and if you go to East Germany, Yugoslavia is a socialist country that has opened up the most to the outside world, is it not? China also opened up. When I went to China recently, China told me this. Hu Yaobang said to me: When President Mao was around, when Mao Zedong was alive, China was reluctant to show itself to the outside world. When you see other people's belongings, you come to like it unconditionally and come to hate yours. Ha, ha, ha. (laughter)

Thus, they [China] admitted that what they have is bad. If that is the case, they have to stand ahead of others by developing theirs. However, without developing theirs, they are saying others' belongings are better than what they have. What a pretty pickle this is!

When they [China] opened up a bit, the first thing the people learned from was not outside technology. Youths grew their hair and mustaches (laughter). Told to learn technology, instead, they were indulged in external things. This stems from the lack of internal reform. He [Hu] said what China should reform first is its education system. As such, Hu Yaobang frankly admitted it to me.

We are in the same situation as well. Say, we constantly broadcast foreign films on television, then, the people will feel a sense of futility. Under the situation in which the country is divided, how can I let the people worship foreign things at a time when we need to arouse national pride, patriotic struggle, and other things.

We have to develop our technology before opening up to foreign countries, but again, this is self-contradictory. So... therefore, what I am saying is that we should give some rights regarding this within limits. My intention is this.

#### **There Is a Problem in the Socialist System Itself**

[Cho] In the following conversation, Kim Chong-il makes an important confession. He confesses that there is a problem in the socialist system since it fails to stimulate work enthusiasm among the people as in the case of the capitalist system which does so through material compensation.

[Kim Chong-il] There is a problem, whether one should write or not. When I give one a task, one complains about one's working conditions. I tell you what that is, since national liberation, I will tell you, from a materialistic standpoint, let me tell you, without ensuring one has motivation, this is related to the system, I think. Even if one makes one movie a year, one

still receives living expenses. And, even if one writes one story a year, one receives contribution fees. And, the contribution fee, that must be one's main job, but it is reduced to be one's side job. (omitted)

Eh, one's job of writing is reduced to a side job. And, the state gives one living expenses, even when one does not write. Therefore, one has no motivation. Therefore, if one is given the task of writing three stories a year, one complains. That is, one has a full stomach. One says one cannot write in an office or at home. Rather, one asks that one be sent to some resort, saying he will write at a resort. Most of the people have become that way.

Therefore, a little while ago, I talked to propaganda officials. Socialism is fine, but there are many internal problems that need to be solved. Yes, I say people have no motivation to work.

[Sin] I once thought about that problem. First, to develop the movie industry, there must be a system under which awards are given to excellent movies. Then moviemakers will come up with ideas, will compete among themselves, and will be stimulated.

[Kim Chong-il] That is right. There is a proposal in which we carry out a pilot project in creative groups. The reason is, at present, only state budgets are used, and, we are under a state budget system. Therefore, to speak frankly, when shooting movies, artists divided cuts, cuts, cuts even in shooting a roll. In the past, they shot one-third, one-fifth, or one-sixth [of a roll]. At present, artists shoot films even after the deadline is passed, and therefore, they use, for example, 100-odd meters of film in a row to shoot one cut of an actor. (laughter) This is the real situation. Even if a movie turns out to be failure, the state pays. If a movie is good from an ideological and artistic standpoint, good enough to be used as a textbook, and if it is sent to the Ministry of Culture and Arts, the ministry puts a seal on the movie. I mean the state pays. (omitted)

#### **Nihilistic Tyrant, Agonized Dictator**

[Cho] Listening to Kim Chong-il's revelations of his thoughts, a question arises. Kim Chong-il is well aware of the shortcomings of North Korea's socialist system, and has attempted to resolve the straggling North Korean film industry, going so far as to abduct a film expert from an advanced capitalist state. So why is he leading North Korea to self-destruction by closing tightly its doors? Is Kim Chong-il a captive of the various conditions that prevent him from opening up North Korea, despite the fact that North Korea will be destroyed if it does not open up?



Unless Kim Chong-il does away with the two idols of socialism and the *chuche* idea, he cannot implement reform and opening up. In other words, unless he renounces Kim Il-song, Kim Chong-il cannot save North Korea, and if he renounces Kim Il-song, it inevitably leads to the renunciation of himself. Kim Chong-il may be struggling in this bog from which he can hardly find a way out.

Continuing to listen to this audio tape, you will probably form two images of him: a nihilistic tyrant like Nero, and a lonely and agonized dictator like Hamlet. The question is, when Kim Chong-il meets his tragic end like Nero and Hamlet, how it will affect the security of the 70 million residents of North and South Korea.

## 2. Telephone Conversation Between Kim Chong-il and Sin Sang-ok (Toward the End of July 1984)

### To Make Them Envy Us

Under Kim Chong-il's special instructions, Sin Sang-ok and Choe Un-hui established a film production company under the title "Sin Film," the same name they had used when they were in the ROK. They produced one film after another, such as "The Emissary Never To Return," "Chunhyangjon," and "An Chung-kun Shoots Ito Hirobumi." In the meantime, on 2 April 1984, the Agency for National Security Planning [NSP] made public an audio tape in which Sin Sang-ok and Choe Un-hui recorded their voices and sent them to their families in Seoul, disclosing the details of their abduction and their activities in North Korea.

Three months later, near the end of July, Kim Chong-il telephoned Sin Sang-ok at the latter's office in Pyongyang. The telephone conversation was recorded by the recording device officially installed by the party. Because all of Kim Chong-il's remarks are teachings, they are recorded so they may be followed precisely.

In this telephone conversation, Kim Chong-il recommends that Sin Sang-ok and his wife travel freely in Europe and make films under the protection of North Korean operatives to demonstrate that the couple was not abducted from the ROK.

[Sin] Hello.

[Kim Chong-il] I am sorry.

[Sin Sang-ok] It's me. Thank you for calling me up when you are so busy.

[Kim Chong-il] Not at all. Eh, traveling to and from those socialist countries will not be a problem because we guarantee it. The best thing at present is, well, Austria. You should appear in some capitalist, neutral countries. You should do that. If you travel only

in socialist countries, it will look as if you were traveling under our control. Because it will give such an impression. In other words, the neutral states. If you travel in the countries claiming themselves to be neutral states under the protection of a group of our people.

You should never travel alone. While traveling in Europe, you should make yourself renowned. As I told Choe, deputy director of a department, a little while ago, there are South Korean agents in all of these countries, and we will protect you by all means to ensure that you travel free from fear. Then, people from the other side [the ROK] will turn green with envy. You are virtually free men.

[Sin] Then, we can openly....

[Kim Chong-il] Yes.

[Sin] Can launch an offensive.

[Kim Chong-il] Yes. When we, rather, I think of it prudently, if we merely sit by and give interviews, ha, ha, ha (laughter). Therefore, there was a discussion a little while ago. By all means, we are in this situation, we should launch an offensive. We should launch an offensive, and, then, both of you, Director Sin and Mrs. Choe, have a strong resolve. Also, you have a studio here. Expand your political stage (he stammers) rather widely to carry out activities. And, though you may not be inclined to, with your action and gestures, you should make sure that the bastards [nomduri] envy us. Is it not good to do so...?

By the way, Yun I-sang has come here.

[Sin] Has he come again?

[Kim Chong-il] Why do you not meet him sometime?

[Sin] Please arrange a meeting.

[Kim Chong-il] Meet him sometime, please. When you meet him, you should make remarks the same way you said to the people over there.

[Sin] That is right. I felt so many times that there are many people who are less armed than I am.

[Kim Chong-il] Ha ha.... Therefore, tell Yun I-sang that you have enemies over there, not here. And, if necessary, ask him to give you assistance to ensure that the two of you do business in West Germany, rather, West Berlin, I mean legal assistance.

[Sin] Yes, that is right. The nationality is over there [as published]. Anyway, I am a man who has lost his heart to you, comrade leader [chidoja tongchi]. Therefore, I will not leave before I finish my masterpieces, even if asked to.



[Kim Chong-il] Give my regards [to Choe Un-hui].

**3. Dialogue Between Kim Chong-il, Sin Sang-ok,  
and Choe Un-hui (4 August 1984)**

**"Opening Up Is Like Disarmament...."**

[Cho] "An Emissary Who Is Not Returning," directed by Choe Un-hui, won the Director's Award at the Karlovi-vari [as transliterated] International Film Festival in Czechoslovakia in July 1984. A month later, on 4 August, Kim Chong-il invited Sin and Choe to his office at the party Central Committee building and talked with them for two hours.

At this meeting, while confessing that "to feed the people it is imperative to advance into the Western world," Kim Chong-il said again that an active opening up is very difficult because of military reasons. Kim Chong-il also said that "the 25 June [Korean] war was to defend our system." Thus, he virtually admitted that the war was triggered to invade South Korea.

[Kim Chong-il] We should actively advance into the world film circles in the future so that we can promote Korea in every corner of the world through movies. Producing a movie is better promotion than spending a lot of money for the front page of NODONG SINMUN.

[Choe] Yes, that is right.

[Kim Chong-il] What did we say in the past; 10, 20 years ago? The people should tighten up their belts. They should tighten up their belts. We should first of all prepare our own revolutionary force because the country is divided into the North and the South. Therefore, well, we should tighten up our belts and concentrate our efforts on national defense building.

South Koreans make a lot of noise talking about manufacturing things domestically, manufacturing engines domestically, and the like. However, in the case of motorcycles, they import engines and other parts from foreign countries. All motorcycles produced in South Korea are only assembled there.

Cars are also only assembled in South Korea. Domestic manufacturing South Koreans claim is only 40 percent. So, most of the goods are only assembled in South Korea. Yet, they announce that these goods are manufactured domestically.

We should not do that. We should show everything from the planning stage to the processing stage... Should show everything, including finished goods. By doing so, reporters can go to South Korea and compare South Korean plants with our plants.

So, now, in which direction should we go? Okay, priority should be given to the national defense industry

and heavy industry. In parallel with them, what should we do? Now is the time to improve the standard of the people's living. Because it was me who said that the socialist people should tighten up their belts... I told this to our comrades... Listen to me carefully.

What were our people's feelings when the war took place in 1950? There was something in common between our people's feelings and that of the South Koreans, particularly when the People's Army advanced. That is, [North Korea is] not a society just for a few capitalists and bourgeois. Though the system was good, what did we have at that time? Nothing but some weapons provided by the Soviet Union. In fact, because we were aware that our system was good, we rose up to defend it. In conclusion, there were still capitalists, landowners, and comprador capitalists in South Korea. Thus, we decided to set out to liberalize the South Korean people, and it turned to our great profit.

After having experienced about 30 years of socialism, I feel we need to expand to the Western world to feed the people. The reality is that we are behind the West. The people's consciousness and ideology are important issues. Eastern European countries are having a hard time overcoming the ideology problem.

I recently met with Hu Yaobang when he visited our country. He asked why our country does not want opening up, uh, does not develop tourism, saying tourism is quite profitable. As I understand it, our country will develop tourism. We did not do the business not because we did not have any intention; of course, it is true that we did not want it. However, we decided to do that.

By the way, the South Korean scoundrels also develop tourism; they do it on a large scale. Yes, they develop tourism. However, the vertical length of our country is short. The distance between the capital and the Military Demarcation Line is short... Well. Uh, well, you [China] have a large continent, so that you can develop such a business as you like. However, in addition to the short vertical length, we have a short coastal borderline. Furthermore, the entire coastline is dotted with military fortresses. If we open up, we would be understood to start tourist business. In this case, the opening up is no different from the withdrawal of a country's troops, is it not? We have been stuck strategically. However, if they come and see all our country, if we open up everything, ha, ha, if we open Pyongyang, it will eventually be the same as pulling out troops from the borderline to Pyongyang. After that, things will be done in Pyongyang. It would be naturally tantamount to disarmament. Do we have to do this for a meal?



Because tourism means disarmament, I said we would do that after reunification.

However, you have experience, so we will do it. There is a way for us to do it; tourism... I think they want to visit Hamhung, Chongjin, and all other places. You will see when you visit Hamhung and Chongjin... There are the Pacific fleet and the Soviet fleet. The Chinese people are trading with Japan through the Pacific fleet. Chongjin Port... Hu Yaobang visited there, did he not?

Chongjin Port, Chongjin Port. Well, our country is located in a strategic place. The Japanese scoundrels regard our country as a very strategic point in its trade with the Soviet Union and China. The Japanese scoundrels also want to come into our country.

So, I told Hu Yaobang that we will enforce an opening up policy. We will enforce an opening up policy. However, we will enforce only a limited and local opening up policy. He [Hu Yaobang] asked me about where we will open up. I said Chongjin and Kangwon Province. He asked what about the west coast area? I told him we cannot do it in that area. I told him that frankly speaking there are not many plains from Kaesong to this area. Yes, we will do it. We will do tourist business. Hu Yaobang said okay. Thus, I promised him.

#### **"Five to Six Persons Should Go Along on Overseas Trips"**

[Choe] Why don't you mention the Tokyo Film Festival? Tokyo Film Festival...

[Sin] Oh, I think I should tell you about the Tokyo Film Festival. According to an executive member of the Tokyo Film Festival, there will be no film competition next year other than a competition for new faces. I mean a competition for new directors. So, I think we should send a new director. Even South Korea...

[Choe] How much is the prize for new director?

[Sin] One and a half million dollars. If we win the prize, we should start a new production company with that money and share the copyright. Thus, we can spend the prize money of \$1.5 million. However, winning the prize money itself does not matter. We should...

[Kim Chong-il] Well, but, I do not think that even if our actor is elected, that scoundrels, those scoundrels, would give something.

[Sin] No, no, what matters is attending the festival.

[Kim Chong-il] I think we should participate in the Tokyo Film Festival, what do you think?

[Sin] Yes, we should participate in the festival because there is an executive committee member on our side. Anyway, we should participate in the festival. I think I should visit Austria this time to finish up [word indistinct]. I would also like to visit West Germany next time to meet Yun I-sang [famous Korean musician residing in Germany] and find out the problems related to West Germany and... so, I think I should visit... of course, I will make a report on my overseas trip each time...

[Kim Chong-il] Yes, but whenever you make an overseas trip you should be accompanied by five to six of our persons for a time being.

[Sin] Yes, I will do so.

[Kim Chong-il] The rascals [South Korean security agents]... They become tougher than us if they are resolved to do something...

#### **"Why Don't You Ask Yun I-sang...?"**

[Cho] On that day Kim Chong-il advised Sin Sang-ok to cooperate with Yun I-sang, a Korean composer residing in West Germany.

[Sin] By the way, this is my personal problem and idea. If and when I meet Yun I-sang, I would like to hear from him about what is going on in West Germany...

[Kim Chong-il] Oh, I didn't tell you in our previous telephone conversation, but Yun's son who lives here has already married. He has also recovered his spirit. He is now leading a life of recuperation at a Catholic church here.

So I said that it would be best for them to meet when he returns, but he...when he came here, he had his own difficulties. What you should ask him, Director Sin, tell him that you can go to West Germany, West Berlin. You can go with your present passport. Ask him if when you go, in case you go, whether he could support you. If you ask, would he not naturally tell you how to go to West Germany?

In my opinion, if things go well with West Germany, we can freely travel between East and West Germany, can we not? The bank account we have, we should have more than the one we have in Vienna. We should open one of my accounts amounting to about \$3 million in West Germany, so that whenever you go...in one and a half years.... Anyone who has made a few transactions would know that the bank is the way out. One bank account will do. Let us not do something shallow that can be capsized anytime. That is why I keep telling you to explore this course. I can choose West Germany. The next is Geneva. UN organizations are in Geneva. We



can open a bank account in Geneva, can we not? And another account in Austria. Just like what we are doing now. Open a few bank accounts like this, and add one in a socialist country. We are working on this one.

Once we have about four accounts, can we not do something to attract these Western figures? Make a contract with the following conditions: Accommodations and meals, ah, the first is personal security. When they come to our country, the first condition is that we guarantee their personal security. The second is that we will pay for all accommodations and meals. Lodging is our expense. If we present these two conditions, would they not c-c-c-come?

**"It Would Be Nice If You Could Cultivate an Actress Like Yun Chong-hui."**

[Cho] A movie mania, Kim Chong-il watches South Korean television every day. He reportedly remembered the schedule of popular South Korean dramas, and knew well about Yun Chong-hui, whom he failed to kidnap, Kim Hui-kap, and Chong Yun-hui.

[Kim Chong-il] Who is most promising?

[Choe] Comrade Chang-se.

[Kim Chong-il] I mean an actress.

[Sin] Actress. Yes, Chong-hwa is fine. A movie for them...

Kim Chong-il: It would be nice if you could cultivate an actress like Yun Chong-hui.

[Choe] There are several actresses who would make Yun Chong-hui humble.

[Sin] There are about five to six. Please do not worry. That is not a problem.

[Kim Chong-il] Hui-kap and his colleague actors say they made movies all their lives. How many did they make?

[Sin] About 500.

[Kim Chong-il] That one called Chong Yun-hui. I saw it on television that the bitch [nyon] called Chong Yun-hui has already shot 120 movies.

[Choe] That's almost right.

[Kim Chong-il] So, I said it seemed only yesterday when she appeared, but she has already made 120 movies.

[Choe] They make a lot of movies. Once she gained a little popularity, every one wanted to use her.

[Kim Chong-il] Our people who have returned from Singapore say that Singapore is a good place for shooting. Secretary Ho Tam said that Hong Kong is

declining and falling. The Soviet Union and the PRC require visas. Singapore has good relations with us. We can do as we wish for 15 days. If 15 days are allowed, we may do a film in Southeast Asia. After 15 days, we can go to a nearby country for a day and go back. That gives us another 15 days.

[Choe] We could go to Hong Kong first...

[Kim Chong-il] This year, what I am saying is that, this year, let us work on Europe first. To make our identity explicit, it is Europe. Next year, when we are recognized in Europe, Sin Film can send some other scoundrels [nom] to Singapore, and we can step up to an international scale.

What about now? Which foreign country is most likely to establish a joint venture with us now? Is it not Italy? So I am saying that here comes Sin Italia. Ha, ha.

**4. Kim Chong-il With Sin Sang-ok and Choe Un-hui (31 December 1984)**

**"Bring Them All With You When You Go to Foreign Countries for External Propaganda."**

[Cho] On the afternoon of 31 December 1984, Kim Chong-il called in Sin Sang-ok and Choe Un-hui to his office. Kim Chong-il informed the two of their scheduled meeting with Kim Il-song the next morning, on the New Year's day. Choe Ik-kyu, deputy director in charge of film, was present.

[Kim Chong-il] He [Kim Il-song] asked me about my plan, and I said I planned to watch the movie "Chun-hyang" with Mrs. Choe. Then, he said: "I am bored now, let us watch it now. Bring that movie and watch with me." I watched the movie with him and he was very satisfied, very satisfied. I told him that Mrs. Choe received the leader's [suryong] new year's greetings every year, but he said that he would not rely on the lower-level this year but will personally meet with you on the New Year's morning. It seems you will meet with him tomorrow, tomorrow morning. When you meet him, tell him that you pledge to devote yourselves to our prosperous Korea. Then, I believe he will greatly encourage you. (Turning to Choe Ik-kyu) How many copies did you make? (meaning copies of "Chun-hyang.")

[Choe Ik-kyu] We have made six copies.

[Kim Chong-il] Why, do we have to make copies in Japan?

[Sin] Yes. I sent a message to Japan yesterday morning.

[Kim Chong-il] How many copies do we need? Make about 200 and send them to the Soviet Union, Central



Asia of the Soviet Union, five to six copies to Southeast Asia, to Koreans living in the Soviet Far East, Koreans living in Central Asia, and Koreans living in Northeast PRC. We have to promote the movie on a full scale. They think we are a nation without such literature. It is good to send them and show them such movies.

There is this new film festival in London, England, and next... Mrs. Choe, you have undergone an operation. Such a big operation. In an operation, one's life is at stake. Frankly speaking, I was very concerned.

I called chief Nam In of the Ponghwa Clinic yesterday. He said that the clinic does not have such advanced technology. They frequently go overseas for experiments but they do not know. He said that the clinic almost had an internal problem, and that it was fortunate that [the cause] was discovered overseas. Ho, ho.

[Choe Un-hui] The chief personally performed the operation. He was very good. The post-operation treatment was somewhat different, so...

[Sin] I will promote our film by all means.

[Kim Chong-il] You can do that for external propaganda, can you not?

[Sin] Not the domestic version...

[Kim Chong-il] Do that, if you are confident.

[Sin] We will make a domestic version for domestic use.

[Kim Chong-il] Go ahead if you are confident.

[Sin] However, I cannot penetrate overseas markets with fair and normal movies every time.

[Kim Chong-il] Not bad, not bad. It is up to your ability and influence. I will back you to the maximum. When you make up your mind, do not mind them.

In our country, anyway, do not think whether or not it is fit to the beauty of our country. In all respects, that is, we should take all of them, which can be regarded as proud, to those countries in view of the external, external propaganda.

When the channel problems are solved next year, even you have to watch the MBC. Lately, when we watch television, we can become aware that the so-called historical drama has been developed largely...

[Sin] Now, has the movie "Chun-hyang" ended?

[Kim Chong-il] Yes.

[Sin] It took a long time. I should see it so I can feel some sense... because it took a long time, ha ha.

[Kim Chong-il] Also, if you see it, anyway, if you see women who are actively performing in it, they are also the same age, the same age of Sa Mi-cha.

#### **5. Dialogue Between Kim Il-song, Sin Sang-ok, and Choe Un-hui (1 January 1985)**

#### **"Even If You Ask Me To Immediately Undertake the Rotten South Korean System, I Will Have Difficulty in Doing So"**

[Cho] During the morning of 1 January 1985, at the banquet greeting the New Year held at the Kumsusan Assembly Hall in Pyongyang, commonly called the presidential palace, Sin Sang-ok and Choe Un-hui were escorted to the guest room and conversed with Kim Il-song for the first time. During this meeting, Kim Il-song was accompanied by his wife, Kim Song-ae. This dialogue was recorded by a small tape recorder carried by Choe Un-hui in her handbag.

During their conversation, Kim Il-song showed pride in North Korea, comparing North Korea, which owes \$1 billion in foreign debt, with the ROK, which owes \$50 billion in foreign debt. Also, Kim Il-song stressed that North and South Korea should join the UN as a confederal state.

However, 10 years later, as a result of changes in the international environment, North Korea finally joined the UN separately when the ROK joined. In addition, its economy has become bankrupt. The confidence and optimism shown by Kim Il-song that day has been regarded as the miscalculation of an old dictator who knew nothing about the world because of the flatterers around him.

[Kim Il-song] I heard you had undergone an operation. Is there any problem (are you OK)?

[Choe] Yes, no problem.

[Kim Il-song] Is your health good?

[Choe] Yes, thank you.

[Kim Il-song] Did you undergo the operation in Hungary?

[Choe] Yes.

[Kim Il-song] Now, how old are you, Director Sin?

[Sin] Fifty-eight years old, Your Excellency.

[Kim Il-song] Oh, 58 years. You will be 60 soon. The works you have completed so far are excellent. "An Unreturned Secret Envoy," "Story of Escape," and the movie "Chun-hyang," which was newly released, were good. The movie "Chun-hyang," and what else, I cannot remember the title...



[Kim Song-ae] "Red Wings"...

[Kim Il-song] What?

[Kim Song-ae] "Red Wings"...

[Kim Il-song] Oh, "Red Wings"...

[Kim Song-ae] "Top of High Pass"...

[Choe] "10 Million-ri Along the Railway"...

[Kim Il-song] We are now calling for peaceful reunification. We are now frequently making contacts with the South.

Even now, or recently, Yi Won-kyong, the so-called foreign minister of South Korea, told Waldheim that the two Koreas should join the United Nations. That means our Korea would be divided forever.... That is not what we want. What we are claiming is this: If we join the United Nations after making the two sides one country with two governments through a confederal system, while respectively maintaining the North Korean and South Korean systems as they now exist, thus carrying out the autonomous system with each other, we can avoid internationally perpetuating the division of Korea, no matter how the situation develops in the future. (omission)

By the way, these fellows — yeah, when I received a report on a speech delivered by Reagan yesterday, even his remarks had become misleading. Doesn't he call Korea the two countries — doesn't he? The two countries. We should make it clear that Korea is one country based on two governments. Therefore, we should make others recognize the two governments. If this happens, we can call Korea Koryo based on a confederal government, or if the other party put forward a good opinion or good name, that would be okay. However, maybe, the name Silla will not be appropriate for us. The reason we cannot accept the name Silla is because, from a historical perspective, it won a victory by defeating Paekche and Koguryo in secret collusion with the nation of China. With the cooperation of the Chinese nation! Also, we cannot agree with the tone of argument of Pak Chong-hui, who called for reunification of the country the way Silla did it. Maybe, Comrade Sin knows history very well. (omission)

Therefore, we should not make a bet to conquer someone else, but maintain each other's systems the way they are. Even if someone asks me to immediately undertake the rotten South Korean capitalist system, I will have difficulty in doing so. South Korea owes \$50 billion in debt. \$50 billion in debt. Think of that. \$50 billion of debt is not a simple problem. We owe approximately \$1 billion in debt. However, we are going to pay off our debts this year or before next year by

making money. We even pay interest on it. Utsunomiya Tokuma, a Japanese dietman, came and said to me that he provided money to South Korea when I asked him if he provided a considerable amount of money to the latter. It is only interest for one year even though we pay interest [as published]. Interest!

[Member of Political Bureau] We wish the great leader [widaehan suryongnim] long life and good health.

[Kim Il-song] Thank you. Now, let us exchange greetings for the New Year.

#### 6 Telephone Conversation Between Kim Chong-il and Choe Un-hui (24 September 1985)

##### "Reporters Are Like Beggars"

[Cho] As part of an exchange program of North and South Korean art troupes, an ROK art troupe performed at the Pyongyang Grand Theater on 21 September 1985. Performing was Kim Hui-kap, Kim Chong-ku, Na Huna, and other ROK artists whom Sin Sang-ok and Choe Un-hui had known. At that time, Sin Sang-ok was in Beijing shooting a movie, and Choe Un-hui was recording at the Sin Film Studio. She had not been allowed to see the performance at the Pyongyang Grand Theater.

Four days later, Kim Chong-il called the Sin Film Studio. During the conversation, Kim Chong-il described ROK reporters as "beggars."

[Kim Chong-il] Hello?

[Choe] Hello? This is Choe Un-hui speaking.

[Kim Chong-il] How are you? It has been a long time since I saw you last.

[Choe] That is right....

[Kim Chong-il] How have you been doing?

[Choe] I have been doing fine.

[Kim Chong-il] People from over there came and returned home. I saw the movie "An Chung-kun" (the correct title of this movie is "An Chung-kun Shoots Hirobumi Ito"). That was very good. Ha, ha, ha.

[Choe] Was it that good?

[Kim Chong-il] Kim Hui-kap, according to a report I received today, wanted to meet you separately at the performance hall and talk to you. I have heard you did not show up.

[Choe] No, I did not. I was told that the performance hall would be swarming with reporters. Therefore, I did not go there. Meeting reporters is bothersome.



[Kim Chong-il] Reporters are like beggars.

[Choe] I cannot agree more.

[Kim Chong-il] When Kim Hui-kap came here, he did not talk at all, even though other people talked a great deal.

[Choe] He did not, I think.

[Kim Chong-il] When he came back to the hotel, he drank, drank. Did he drink much in South Korea?

[Choe] No, he did not drink much.

[Kim Chong-il] I have heard he drank a great deal here. He must have been upset?

[Choe] He must have been upset because he could not meet his siblings.

[Kim Chong-il] Ha, ha. That may be right. The report on Kim Hui-kap reminded me of you, Mrs. Choe, and I have called you.

[Choe] Thank you. I recently received a big prize (for her role as a leading actress at the Moscow Film Festival). I thought you, dear comrade leader, would invite me, but you did not....

[Kim Chong-il] I am very sorry.

#### **Epilogue: The Flood of Praise Will Someday Turn Into the Flame of Hatred and Indignation**

[Cho] As can be clearly seen from Kim Chong-il's voice, he seems to have treated Sin Sang-ok and Choe Un-hui courteously as gifted artists. Kim Chong-il even opened his deepest heart to them.

In his biography, Sin Sang-ok wrote:

"One day, Kim Chong-il waved to band members who were cheering, and gestured for them to stop. However, the band members would not stop. Kim Chong-il grabbed my left hand and rocked it back and forth, saying something I have never dreamed of.

"Mr. Sin, that is all fake. They are not cheering from the bottom of their hearts."

"This remark echoed through my mind repeatedly for a long time, along with the remark 'forgive my pretense' [yonguk] which he made at a banquet the day before.

"As a matter of fact, all this idolization and flood of praise will someday melt like snow. It may turn into burning hatred and indignation. I think, at least, Kim Chong-il is quite aware of this. Is not the solitude of a dictator sympathetic?"

Sin Sang-ok and Choe Un-hui fled to the U.S. Embassy in Vienna on 13 March 1986. It was eight years since they had been kidnapped and brought to North Korea in

1978. Kim Chong-il tried to keep their "art" in the frozen kingdom with absolute authority, money, and courteous treatment. Instead, Sin and Choe chose freedom, risking their lives in the process.

Thus, Kim Chong-il's first attempt at opening up, by developing North Korea's backwardness by bringing in the advanced technology of capitalism, ended in failure. Ten years have passed since then, and there is no report that Kim Chong-il's opening up is successful. As Kim Chong-il has frankly admitted, this may stem from the rigidity, bureaucracy, and evil nature of Kim Il-song's unitary system, which he could do nothing about, rather than from his own personal failure.

Let us wait and see if Kim Chong-il, who could not even tie down two people's spirit of art and sense of freedom, can win the hearts of 20 million North Koreans.

#### **North Reportedly Sets Up Liaison Office in PRC**

SK3010080195 Seoul CHUNGANG ILBO in Korean  
30 Oct 95 p 2

[Report by Choe Won-ki]

[FBIS Translated Text] It was confirmed on 29 October that North Korea has established and is currently operating "a liaison office of the Committee for the Promotion of External Economic Cooperation [CPEEC]" in Guangzhou, Guangdong Province, China, in a bid to attract capital investment, including that of South Korea, to the Najin-Sonbong free economic and trade zone.

A total of four officials, including its representative Kim Hui-pok who is affiliated with the CPEEC, are reportedly working at the liaison office.

According to an official at the National Unification Board, the liaison office was apparently set up in last June. In relation to this, reports have held that North Korea established "the general bureau for North-South economic cooperation" in Beijing and Guangzhou in May and June.

Even though the detailed function and activities of the liaison office are not known, sources in the economic circles believe that the office was set up to "attract the capital investment of the South Korean companies and other foreign companies doing business in Hong Kong to the Najin-Sonbong free economic and trade zone."

#### **Kim Tae-chung Returns Home From Beijing**

SK2910095495 Seoul YONHAP in English  
0829 GMT 29 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 29 (YONHAP) — President Kim Tae-chung of the main opposition National Congress (NCNP) for new politics returned



home Sunday afternoon, winding up his six-day visit to Beijing.

In the Chinese capital, he attended a conference co-sponsored by the Asia-Pacific Peace Foundation which he concurrently heads and a Chinese foreign affairs society.

Kim also met Chinese leaders, including Chairman Qiao Shi of the National People's Congress (parliament), and discussed increasing the bilateral cooperation in promoting peace on the Korean peninsula and other matters of common interest to the two countries.

In his arrival press conference at Kimpo International Airport, he said he would discuss with the NCNP about the measures against the political slush fund scandal involving former President No Tae-u.

Asked about President Kim Yong-sam's invitation to the Chongwadae [presidential offices] lunch slated for Monday, he replied he would decide on whether or not to attend it after consultation with the party.

**Police Arrest 6 PRC Boats for Illegal Fishing**  
*SK3010105195 Seoul CHOSON ILBO in Korean*  
30 Oct 95 p 39

[Report by Han Hyon-u from Yosu]

[FBIS Translated Text] On 29 October, the Yosu Maritime Police captured six Chinese fishing boats, which were engaged in illegal fishing after invading our nation's territorial waters, and detained six masters, including Zheng Yungqing, master of Lu Yongyu Boat No. 1319 from Shandong Province, and Wang Haibin, master of Lu Yongyu Boat No. 1070.

They are suspected of catching two tonnes of various kinds of fishes, including spanish mackerel and hairtail, on the sea off Sorido, Nammyon and Taesambudo in Samsanmyon, Yochon County, South Cholla Province, after invading our nation's territorial at dawn of 26 and 27 October.

Since early this year, our maritime police have arrested a total of 15 Chinese fishing boats, which were engaging in illegal fishing in the southern sea in Yosu, South Cholla Province, and in Tongyong, South Kyongsang Province. This shows a drastic increase of such Chinese ships from 4 during the same period of last year.

**Institute Assesses Relations With Japan**

*SK0211052195 Seoul THE KOREA TIMES in English*  
2 Nov 95 p 2

[Article by staff reporter Son Ke-yong]

[FBIS Transcribed Text] Korea scholars have called for a "political calculation" in resolving the current dispute between Seoul and Tokyo over the "past history" rather than resorting to legal and emotional approaches.

The suggestion was made in a recent seminar organized by the Foreign Ministry's Institute of Foreign Affairs and National Security (IFANS), in which 16 Korean scholars and experts including Prof. Paek Chung-hyon of Seoul National University took part.

"As a legal approach is an all-or-nothing game and leaves no room for face-saving, it is not desirable to deal with such subtle issues as Korea-Japan relations," said IFANS Prof. Paek Chin-hyon in a roundup report following Tuesday's seminar.

Since Japanese Prime Minister Tomiichi Muramaya said recently that the 1910 treaty of Japan's annexation of Korea was signed in a legally valid manner, the "past history" issue became the bone of contention between the two countries again, which could ruin the atmosphere for a summit meeting between President Kim Yong-sam and Prime Minister Murayama, tentatively scheduled for this month, timed with the APEC leaders meeting in Osaka.

The participants also advised the government not to raise such "controversial" issues as who is responsible for the division of the Korean peninsula because it is almost impossible to expect favorable results.

"Even Korea-friendly politicians like Foreign Minister Yohei Kono cannot agree to the allegation that Japan is directly responsible for Korea's division," Prof. Paek said.

Earlier, President Kim Yong-sam claimed that Japan is directly responsible for Korea's division, inviting strong objections from Foreign Minister Kono.

Instead of such controversial issues, the participants asked Seoul to focus on "incontestable" issues such as Japan's coerciveness shown in the process of signing an annexation treaty with Korea.

They suggested three dominating Japanese views over Japan's annexation of Korea: First, many Japanese think that Japan's colonial rule contributed to Korea's development. Second, they feel that Japan should apologize for its war of aggression. Third, the remaining Japanese have middle-of-the-road views.



"The forces dominating Japan are very conservative and hold the first view, even though they don't outrightly express it. A majority of ordinary Japanese are also believed to hold this view," Prof. Paek said.

In Germany's case, it was rather easy to liquidate the legacies of Nazism which went against the "universality of European history and Germany's cultural tradition," he said. However, Japan cannot apologize for its past wrongdoing without "negating its own identity" because Japan's militarism was an expression of the country's historical tradition based on its "samurai" and "national teaching" culture, he added.

Japan is even introducing imperialistic logic to the study of its past history in an effort to vindicate the righteousness of its imperialism, he said.

The two countries don't share "some kind of consensus" on their modern history even though both governments have repeatedly vowed to construct future-oriented ties while taking into account the unhappy history, he said.

Japan hopes to focus on the future with the past left untouched while Korea believes that it is impossible to build future ties without sharing the same approach to the past, he said.

The seminar participants also pointed out that it is not appropriate to keep an excessively dubious view of Japan's "state strategies" aimed at expanding its international roles partly because Japan is induced to take the path due to the changing international order.

#### **Foreign Minister, Burmese Counterpart View Ties**

*SK0211040895 Seoul YONHAP in English*  
0250 GMT 2 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 2 (YONHAP) — South Korea and Myanmar [Burma] announced Thursday they will seek agreements on double taxation avoidance and investment guarantees to promote investments by South Korean businesses in Myanmar, Foreign Ministry Spokesman So Tae-won said.

In a meeting between Foreign Minister Kong No-myong and his Myanmar counterpart U Ohn Gyaw at the Foreign Ministry, the two ministers also shared the view that their countries need to expand bilateral cooperation in the fields of culture and sports by signing an agreement to improve relations in those areas, So said.

Explaining that Myanmar has been pursuing a market economy since the early 1990s, the visiting minister urged South Korean firms to increase investment in Myanmar.

Kong meanwhile demanded that Myanmar help South Korea build a Korean industrial complex in the south-east Asian country.

Kong expressed the South Korean government's thanks to the government of Myanmar for supporting the South's bid to join the United Nations Security Council (UNSC).

The two also discussed the political and security situations on the Korean peninsula and in East Asia.

U Ohn Gyaw, who arrived in the country Wednesday for a four day official visit here, will tour several industrial facilities and meet with business leaders to discuss expanding business ties.

#### **OECD: Nation Meets Maritime Qualifications**

*SK0311131195 Seoul YONHAP in English*  
0841 GMT 3 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 3 (YONHAP) — The Organization for Economic Cooperation and Development (OECD) on Friday concluded that South Korea satisfies the requirements for entry into the OECD in the maritime transportation field, a Foreign Ministry spokesman said.

The decision was made at a meeting of the OECD Maritime Transportation Committee (MTC) being held in Paris Thursday and Friday, the spokesman said.

Maritime transportation is the first of seven major fields being evaluated by the OECD before the country will be allowed entrance to the major world economic body.

The other fields are insurance, the environment, finance, tariffs, capital movements and investments.

By announcing that South Korea's maritime transportation sector meets OECD standards, the mtc accepted South Korea's plan to liberalize its sea transport market by the end of 1998, the spokesman said.

#### **KOTRA Offices Gain Semidiplomatic Status**

*SK0311071695 Seoul YONHAP in English*  
0621 GMT 3 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 3 (YONHAP) — Officials at 18 overseas offices of the Korea Trade and Investment Promotion Corp. (KOTRA) have recently been granted semi-diplomatic legal status by their host countries so they can more easily contact local officials there and will now receive tax exemptions, a Foreign Ministry spokesman said Friday.

The semi-diplomatic status was granted to the KOTRA officials following a decision by the Foreign Ministry to affiliate the KOTRA offices with the ministry's overseas



missions in Warsaw, Vancouver, Toronto, Copenhagen, Oakland, Lisbon, Moscow, Vladivostok, Budapest, Ho Chi Minh City and Tel Aviv, the spokesman said.

Seven KOTRA offices in the United States were also granted the semi-diplomatic status, the spokesman said. They are in New York, Miami, Los Angeles, San Francisco, Chicago, Dallas and Atlanta.

The upgrading of the KOTRA offices' legal status abroad will enable the organization's officers to more easily contact officials of their host countries while exempting them from a variety of taxes which are usually waived for diplomatic missions and their staffs, the spokesman said.

Each KOTRA office could save up to 50,000 U.S. dollars in tax breaks, he said.

KOTRA officials will also have better access to customs clearance areas when receiving samples and materials being delivered in their host countries, he said.

#### **NCNP Asks DLP To Reveal No's Money in Funds**

*SK2910095795 Seoul YONHAP in English*  
*0821 GMT 29 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 29 (YONHAP) — The main opposition National Congress for New Politics (NCNP) demanded again on Sunday that the ruling Democratic Liberal Party (DLP) make public the money it received from former President No Tae-u during the 1992 presidential election.

NCNP spokesman Park Chi-won, in a statement commenting on the DLP's decision not to disclose No's contribution to its campaign funds during the election, called the decision "an act of befooling and deluding the people."

The DLP has repeatedly called on both the ruling and opposition parties to reveal the funds they received from No during the 1992 election, but it now decided not to make the disclosure, he noted.

By deciding not to reveal No's contribution to his election funds, President Kim Yong-sam is playing a confidence game with No's support, Pak said.

He added the NCNP would continue to press for the DLP's disclosure of No's contribution to its campaign funds in the 1992 election.

NCNP President Kim Tae-chung said he had received 2 billion won from No during the presidential election in 1992.

In a related development, the mayor opposition United Liberal Democrats echoed the NCNP's demand in a statement issued by its spokesman An Sung-yol.

#### **Bank Opened 9 False-Name Accounts for No's Fund**

*SK3110071895 Seoul YONHAP in English*  
*0605 GMT 31 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 31 (YONHAP) — Donghwa Bank opened nine false-name accounts stashing over 110 billion won of former President No Tae-u's secret slush fund, it was disclosed Tuesday.

An Yong-mo, former president of Donghwa Bank, told the prosecution that the pseudonymous accounts were opened at Donghwa's head office between May 1990 and 1992 at the request of No's chief bodyguard Yi Hyon-u, An Kang-min, director of the central investigation department of the Prosecutor General's Office said.

The prosecution summoned An for questioning Monday morning and interrogated him until late that evening.

In the course of answering, An admitted that while in office he had given 200 million won to Yi Hyon-u and over 200 million won to former lawmaker Yi Won-cho in bribes from 1990 to 1992 in a bid to have himself renamed as the bank's president.

As chances are high that An gave additional bribes to the two Yis and that he bribed other influential figures in the No administration as well, the prosecution reportedly plans to take legal action against any person implicated upon completion of a probe into An's provision of additional bribes.

"It won't be too late to prosecute any implicated persons (An and others) after establishing charges against them following further investigations of An," An Kwang-min said.

In April 1993, An was arrested on charges of amassing 2.6 billion in slush funds and offering over 200 million won to Kim Chong-in, No's senior presidential secretary for economic affairs, in return for a similar favor. An was released from custody and placed on probation last year.

#### **Former Senior Chongwadae Secretary Returns 1 Nov**

*SK0111123295 Seoul YONHAP in English*  
*1216 GMT 1 Nov 95*

[FBIS Transcribed Text] Seoul, Nov. 1 (YONHAP) — Kim Chong-in, former senior Chongwadae [presidential offices] secretary for economy affairs, returned home by Asiana Flight 201 from Los Angeles Wednesday evening.

Kim left for the United States on Oct. 25.



"I never knew the secret fund stashed by former President No Tae-u. I myself was surprised at the hugeness of the money," Kim said at Kimpo Airport. "Please don't regard me as the same corrupt man simply because I worked under Mr. No."

Kim's departure for the U.S. was rumored to be his possible escape in connection with No's secret fund scandal.

"My recent visit to the U.S. was prescheduled as I had something to do at the Hoover Institute of Stanford University," Kim said.

#### **DLP Representative Demands Thorough Probe of No**

*SK3110125795 Seoul YONHAP in English  
1226 GMT 31 Oct 95*

[FBIS Transcribed Text] Kyongju, Oct. 31 (YONHAP) — Rep. Choe Hyong-u of the ruling Democratic Liberal Party [DLP], said here Tuesday he, as a politician, is ashamed of the huge secret fund stashed by former president No Tae-u.

"No's case should be investigated rigidly and thoroughly under the democratic statutory spirit that all people are equal before law," Choe, a right-hand associate of President Kim Yong-sam, said.

In a lecture at the College of Regional Development, Tongguk University held at the Kyongju Choson Hotel, Choe said a national leader lacking morality, honesty and clean-handedness is apt to lead to the fall of a country.

"In the days to come, no person prone to commit irregularities should be chosen as a national leader under any circumstances," he said.

The past military regimes had to raise illegal secret funds to abet corruption and irregularities because they lacked authenticity and were beset with many ill points, Choe said.

#### **Daewoo Head Reportedly Helped No 'Stash' Money**

*SK0311055595 Seoul YONHAP in English  
0511 GMT 3 Nov 95*

[FBIS Transcribed Text] Seoul, Nov. 3 (YONHAP) — The prosecution's probe into former President No Tae-u's links with businessmen in connection with the "un-budgeted fund" scandal involving him, is gaining momentum as investigators have uncovered that Chairman Kim U-chung of the Daewoo Business Group lent his name to help No stash part of his slush money in a real-name account with a short-term financing company.

The Central Investigation Department of the Supreme Public Prosecutor's Office discovered Thursday that Kim U-chung had his own name used in converting a false-name account holding 10.2 billion won of No's slush money to a real-name account at the central investment and finance company in September 1993, immediately after the real-name financial transaction system went into effect, prosecution sources said.

The prosecution plans to summon Kim for questioning as soon as he returns home from an overseas trip.

The prosecution at the same time discovered that former Finance Minister Yi Yong-man played an intermediary role in the Hanbo Group's stashing of more than 60 billion won in No's secret money at Donghwa Bank and another commercial bank in a similar manner.

Having learned that two or three conglomerates contributed to No's fund while he was in office, the prosecution plans to summon representatives from those business groups for questioning in the next few days, the sources said.

#### **Official Briefs Reporters on No Tae-u Probe**

*SK0311011895 Seoul THE KOREA HERALD  
in English 3 Nov 95 p 3*

[Report on briefing given to reporters by An Kang-min, chief of the Central Investigative Bureau at the Prosecutor General's Office, on 2 November; place not given]

[FBIS Transcribed Text] Former President No Tae-u refused to answer key questions during the 16-hour grilling by the prosecution by replying he could not remember or he cannot say which business gave what amount of money.

"However, our questioning of the former President revealed that Yi Hyon-u, No's former chief bodyguard, was deeply involved in raising the slush fund," An Kang-min, chief of the Central Investigative Bureau at the Prosecutor-General's Office, said yesterday, in the first briefing since No returned home early Thursday morning.

The prosecution yesterday resummoned Yi.

Following are excerpts from questions and answers during the briefing.

Question: How did No reply to questions asking how the money was raised?

Answer: We recounted every one of the nation's top 50 business groups which are suspected of having given No political funds, but he evaded answering with "I can't remember," "I don't know" or "I can't say."



Q: Did he mention where and how he received the money (from the businesses)?

A: He said he himself met with business executives in the annex building at the presidential office of Chongwadae [presidential offices], but that the time and exact place were handled by Yi. This part is where No's and Yi's depositions differ, and we plan to reinvestigate it.

Q: What will you do about the businesses that are implicated with the slush funds since No is refusing to divulge?

A: We will go alone on it. And although No practically refused to say anything, we did gain some clues and insights. Besides, we have separate investigations going on to track down the fund.

Q: Will you reveal names of the companies?

A: We cannot for two reasons. First is one of technicality as they will be undergoing an investigation and second, it is a matter of companies' credibility and honor.

Q: Will No be resummoned?

A: We cannot say exactly when. But if there arises concrete evidence against No in our investigations, he will be recalled as a suspect meaning he will be criminally charged.

Q: How is the investigation of the Hanbo Group going and when will Chairman Chong Tae-su be summoned?

A: Again, we cannot say, as it touches upon technicality.

Q: Did No bring in any additional materials for reference?

A: No, all we have is the eleven bank accounts he submitted. No did not bring in any other statements of his personal property or real estate. But we found another business group, besides the Hanbo Group, involved in converting the slush funds into real name accounts. We cannot give the name, but we plan to investigate that company, too.

Q: How long and how far will the probe go?

A: We know the public wants quick action and solutions, but without No's cooperation, we have no choice but to go with tracking down the funds and summoning business' heads for questioning. This will take time, as the process of backtracking diverted funds is likely to take two to three months.

#### **Parties Critical of No; DP Urges Arrest**

SK0211082395 Seoul YONHAP in English  
0646 GMT 2 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 2 (YONHAP) — Ruling and opposition parties criticized former President No Tae-u Thursday for showing an extremely unfaithful attitude when answering prosecutors' questions and urged the authorities to arrest him.

Rep. Son Hak-kyu, spokesman for the ruling Democratic Liberal Party (DLP), said, "We hope that former president No will cooperate with the investigation more actively as well as disclose the truth for history and for the people."

Rep. Son also urged the prosecution to make its best efforts in uncover the truth regarding No's slush fund to eliminate any suspicions the people may have.

Pak Chi-won, spokesman for the main opposition National Congress for New Politics (NCNP), said, "As we worried, the prosecution questioned No in line with the scenario it had planned in advance... President Kim Yong-sam should disclose the campaign contributions he received from No during the 1992 presidential race."

Another opposition Democratic Party (DP) member said that it is intolerable that the prosecution allowed No to return home despite the fact that the creation of the slush fund is clearly a crime.

The party urged the prosecution to arrest No immediately.

#### **Bodyguard on Arranging No-Businessmen Meetings**

SK0311014595 Seoul YONHAP in English  
0038 GMT 3 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 3 (YONHAP) — The prosecution secured testimony Thursday from former President No Tae-u's chief bodyguard Yi Hyon-u that he arranged meetings between No and business leaders during which the former president raised his slush fund.

An official at the Central Investigation Department of the Supreme Public Prosecutor's Office, which interrogated Yi overnight, quoted the former chief presidential bodyguard as saying, "During holidays, major national events or days when contracts were being signed for lucrative business deals or huge projects, I scheduled exclusive meetings between No and chairmen of major conglomerates. Following such meetings, business leaders handed President No envelopes containing money considered to be gifts or donations, which later I received and managed."



But Yi denied having received bribes from businessmen, claiming, "It was routine for the chief of the Presidential Security Service to arrange such meetings. I had never personally received money from enterprises in connection with special favors," according to the official.

The prosecution, which summoned Yi for questioning for a third time Thursday, is probing allegations that the former bodyguard received over 200 million won in bribes in 1991 from An Yong-mo, former president of the Donghwa Bank, in return for his influence in getting An renamed to the bank's top post.

The prosecution plans to indict Yi on bribery charges as soon as it secures evidence confirming the allegations.

#### **Switzerland Asked To Search for No's Accounts**

*SK0311102195 Seoul YONHAP in English*  
0732 GMT 3 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 3 (YONHAP) — The Prosecution asked the Foreign Ministry Friday to file a formal request with the Swiss Government to have Bern investigate whether former President No Tae-u stashed illicit funds in bank accounts there.

Senior Prosecutor An Kang-min, director-general of the Central Investigation Department of the Supreme Public Prosecutor's Office, said Friday, "Based on the information that No has secret bank accounts abroad, we asked the Foreign Ministry to file a formal request with the Bern government to confirm whether secret accounts are being kept in the name of No, his family members or relatives at several designated Swiss banks."

The Supreme Public Prosecutor's Office has assigned the investigation of No's alleged secret Swiss bank accounts to its No. 3 division, separating it from the ongoing probe into No's slush fund at home, which is being conducted by its No. 2 division.

When No's daughter So-yong and her husband Choe Tae-won were caught with 200,000 U.S. dollars in undeclared cash in the United States in January 1993, the U.S. authorities reportedly confirmed that the money was withdrawn from a Swiss bank.

Criminal department No. 5 of the Seoul District Prosecutor's Office, which investigated the matter here, however, found the couple innocent in September last year on the grounds that "the money in question consisted of wedding donations that the couple received in the United States and Choe's bonuses, and that it was not taken out of the country (South Korea)."

Meanwhile, the Supreme Public Prosecutor's Office has launched a completely new investigation into the

case taking over the reports Seoul district prosecutors received from U.S. authorities.

#### **Kim Tae-chung Blames Kim Yong-sam in Fund Case**

*SK0311052295 Seoul YONHAP in English*  
0506 GMT 3 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 3 (YONHAP) — President Kim Tae-chung of the opposition National Congress for New Politics (NCNP), saying former President No Tae-u had raised most of his political slush fund after the three-party merger of 1990, claimed Friday President Kim Yong-sam is responsible for the creation of No's secret fund because the merger prompted No to raise the money.

The merger combined the then Democratic Justice Party led by No, the Unification Democratic Party led by Kim Yong-sam and the New Democratic Republic Party led by Kim Chong-pil into the majority Democratic Liberal Party. Until the merger, No's Democratic Justice Party had been a minority party.

Presiding over a meeting of NCNP lawmakers and Executive Council members, Kim Tae-chung, who lost the 1992 presidential election to Kim Yong-sam, said that during No's Sixth Republic, President Kim was in control of the ruling Democratic Liberal Party as he was its number two man.

He warned that President Kim would face "a humiliating and miserable defeat" if he continues to avoid accountability for No's slush fund and for the campaign contribution he received in the 1992 presidential race. The president can hardly avoid being denounced as the man totally responsible for the cover-up of all these things, he added.

"When I received 2 billion won [US\$2.7 million] from Mr. No during the presidential election (in 1992), I understood that he also gave money to other candidates," he said, adding that President Kim Yong-sam should make public all of his election finances from 1992.

The NCNP leader also reiterated his regret for having accepted contributions from No and said he had never thought that the money was from an illicitly-amassed fortune.

He asserted that when President Kim said he hadn't received even a penny from No, Kim virtually gagged No and gave prosecutors questioning the former president instructions not to delve into the matter.

The NCNP will continue its struggle to uncover the entire truth regarding No's secret fund and President Kim's election finances, at all costs, he stressed.



Kim said that the Kim Yong-sam government appears to be using the No scandal as an opportunity to demonstrate its morality as a civilian government and to attack the NCNP for a grand realignment of political parties.

But President Kim's election fund has now become as grave a political issue as the No scandal, he claimed.

He added that a ranking official of the ruling party has spread rumors that Kim Tae-chung received more than 2 billion won from No, and the Kim Yong-sam government is conducting investigations of the scandal in order to keep certain aspects of No's slush fund and President Kim Yong-sam's campaign finances from becoming public and harm the NCNP and Kim Tae-chung.

A political maneuver to eliminate a specific party and a specific politician will never succeed, he stressed.

#### **Prosecution Begins Summoning of Business Leaders**

SK0311055395 Seoul YONHAP in English  
0516 GMT 3 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 3 (YONHAP) — The prosecution investigating former President No Tae-u's slush fund will soon summon all business leaders who allegedly contributed huge amounts of money to the ex-president during his 1988-1993 presidential tenure.

Leaders from most of the country's 50 largest businesses will be summoned for questioning by the prosecution in connection with No's secret fund, sources at the supreme public prosecutor's office said Friday.

The business conglomerates' involvement in the secret fund was revealed through the prosecution's questioning of Yi Hyon-u, No's former chief bodyguard.

"We found that Yi was very involved in the raising of the secret fund," a prosecutor said. "Yi arranged one-on-one meetings between the former president and business tycoons and he provided a detailed list of businessmen who contributed money."

The official said that Yi gave detailed descriptions of who contributed money, when and how they delivered it and for what purpose.

The businessmen delivered money to the former president at meetings arranged by Yi on various occasions, like holidays, the end of the year, election periods and also when a business won a major state project, according to the prosecution.

Yi reportedly testified that the businessmen brought the money to Chongwadae [presidential offices] when they were invited for the one-on-one meetings with No,

according to another prosecution official, who added, "Depending on the occasions, the amount of money they brought each time ranged from 500 million-10 billion won."

#### **Businessmen Vow No More Political Contributions**

SK0311130995 Seoul YONHAP in English  
0830 GMT 3 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 3 (YONHAP) — The nation's business leaders, in a bid to minimize economic fallout from former president No Tae-u's slush fund scandal, pledged Friday to never again offer illicit political contributions in a written apology to the people.

The apology was issued following a senior business leaders' meeting at the Federation of Korean Industries (FKI) In Yoido, southwestern Seoul, Friday morning.

Among those attending the gathering were FKI Chairman Choe Chong-hyon, President Kim Sang-ha of the Korea Chamber of Commerce and Industry, Chairman Ku Pyong-hoe of the Korea Foreign Trade Association, Chairman Chong Se-yong of the Hyundai Group, Chairman Yi Kon-hui of the Samsung Group and Honorary Chairman Ku Cha-kyong of the LG group.

The business leaders admitted in the statement, "Since no proper political culture has been established in the short history of our nation's modernization, it is a fact that, unlike in a developed country, unlawful political contributions had been raised and offered as practice."

Since the inauguration of President Kim Yong-sam, who pledged not to accept any contributions, the business community has been solely engaged in business management without burdening itself with the matter of political contributions during the past two years and eight months and it has been establishing a proper relationship between politics and the business, the statement added.

In an effort to turn the misfortune of the slush fund scandal into a blessing, the business leaders promised that "under no circumstances" and "under no justification" would they offer illicit political contributions in the future.

#### **Prosecution Looks Into No Real Estate Ownership**

SK0311114295 Seoul YONHAP in English  
1037 GMT 3 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 3 (YONHAP) — The prosecution started Friday to look into the possibility that former president No Tae-u might be owning large buildings and other real estate he bought with part of his secret fund and had them registered under his relatives' names.



The probe is part of the escalating investigation by Central Investigation Department of the Prosecutor-General's Office into the huge secret fund No raised and keeps.

"Initially we will find out who are the real owners of the center building across the City Hall in the heart of Seoul and the Dongnam building in Taechi-tong in southern Seoul," a senior prosecution official said.

The investigation will be made mainly by tracing the funds used in the purchase of the buildings, he said.

The 18-story Tongnam building, valued at about 80 billion won (104 million dollars), has been registered under the name of No's younger brother, No Chae-u, and the 17-story center building, worth 20 billion won, is owned at least on paper by an affiliate of the Tongbang Corp. whose chairman is one of No's in-laws.

The prosecution suspect that as the buildings' "owners" were not financially capable of purchasing such large buildings at the times of their purchase, part of No's secret fund might have been used in the procurement of the buildings.

#### **Law Granting Privileges to Ex-Presidents Studied**

*SK0111031995 Seoul YONHAP in English*  
0058 GMT 1 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 1 (YONHAP) — The government may seek an amendment to the law governing honorable treatment of former presidents to the effect that ex-presidents would be denied privileges if they are convicted of a crime.

Answering queries at the National Assembly's Administration Committee meeting Tuesday, Government Administration Minister Kim Ki-chae said, "We are prepared to revise relevant laws so as to exclude cordial treatment to an ex-president who has been convicted of an ignominious crime."

Kim told the house committee that an amendment to the law in question will be considered after monitoring the developments of the huge secret fund scandal involving No and the trends of public opinion.

"How to reduce the number of security guards which are provided to a former head of state for a period equivalent to a presidential term of office will be studied, as will the period of such privilege," Kim added.

Yi Si-yun, chairman of the Board of Audit and Inspection (BAI), meanwhile, testified before the National Assembly's budget and settlement committee that "budget waste and misappropriations amounting to 349 billion won (456.2 million U.S. dollars) were uncovered in the

BAI's inspection of budget handling in four major national projects."

"Budget waste totaling 203.9 billion won was discovered in the Yulgok arms buildup project, 4.7 billion won was mishandled in the Seoul-Pusan high-speed train project and 2.4 billion in the atomic power plant projects, while misappropriations of 138 billion won were detected in the construction of the Yongjong-to International Airport off Inchon," Yi said.

#### **Politicians' Meeting Promotes Reformist Party**

*SK0111032195 Seoul YONHAP in English*  
0114 GMT 1 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 1 (YONHAP) — Some 2,000 dissident politicians calling for an end to the so-called three Kims' era of politics held a meeting to promote the inauguration of a new reformist party Wednesday.

The three Kims are President Kim Yong-sam, President Kim Tae-chung of the main opposition National Congress for New Politics (NCNP) and President Kim Chong-pil of the minor opposition United Liberal Democrats (ULD).

Former Sungkyunkwan University President Chang U-pyong and lawyer Hong Sung-u were elected chairmen of the newly-formed reformist party organizing committee in the meeting held at the 63 building in Yoido, Seoul.

Chang Ki-pyo, Song Yu-po, Chang Sin-kyu and O Hyon-chu were elected vice chairmen and So Kyong-sok, former secretary-general of the Citizens' Coalition for Economic Justice, was named secretary-general of the committee.

The organizing committee is expected to promote a merger with the minor opposition Democratic Party and Vice Chairman Chang will head the team handling the alliance, sources said.

In a statement issued prior to the meeting, the organizing committee called on the three Kims and other established politicians to accept responsibility for the harm money-first politics has caused the nation and to turn their attention to the need to clear the nation of all political corruption.

#### **Ruling Party Lawmaker Ku Joins Opposition ULD**

*SK3110023395 Seoul YONHAP in English*  
0149 GMT 31 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 31 (YONHAP) — Ruling Democratic Liberal Party (DLP) lawmaker Ku Chon-so left the party Tuesday to join the splinter



United Liberal Democrats (ULD) led by Kim Chong-pil.

Ku, 46, was elected to the National Assembly on the DLP's national representation ticket in 1992, but he will automatically be stripped of his parliamentary seat under the present law.

He is expected to assume the post of chief organizer of the ULD's Chongju chapter, North Chungchong Province, to run in the next parliamentary election slated for April.

The National Assembly seat left vacant by Ku's bolt from the ruling party will be filled by Pae Kil-nang, an auditor of the Tae Han Coal Corp.

#### **DLP: Ready To Negotiate Electoral Amendments**

SK0211081495 Seoul YONHAP in English  
0642 GMT 2 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 2 (YONHAP) — The ruling Democratic Liberal Party (DLP) has decided to revise the parliamentary electoral system through negotiations with the opposition parties.

DLP floor leader So Chung-hwa said Thursday that he would positively consider negotiating amendments to the parliamentary election law if any two of the three opposition parties propose it be changed, adding that the existing electoral system needs to be revised because the main opposition National Congress for New Politics (NCNP) has called for an increase in the number of lawmakers elected under the proportional representation system and because the minor opposition Democratic Party (DP) wants to replace the existing single-seat constituency system with a multiple-seat constituency.

Under the new election system, the single-seat constituency and the 299-member unicameral parliament may remain intact, but the number of single-seat constituency-elected lawmakers may decrease to 200, while increasing the number of proportional representation-elected legislators to 99, he added.

So's remarks signified a reversal in the ruling party's policy, which was previously in opposition to a revision of the electoral system this year as the next elections are only several months away.

This is expected to have a considerable influence on political developments in the months to come, as the DP has long called for a multiple-seat constituency system as a means of eliminating provincial politics and the so-called democratic faction of the DLP and the budding reformist party support it.

But the NCNP opposes any amendment revisions to the parliamentary election law, calling the DLP's policy

shift a ploy designed to divert the opposition camp's attention from the controversy of whether President Kim Yong-sam should disclose his 1992 presidential campaign finances.

#### **Kim Chong-pil Discusses 12 Dec 1979 Incident**

SK0211105395 Seoul YONHAP in English  
0948 GMT 2 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 2 (YONHAP) — An opposition political leader disclosed Thursday that the then-President Choe Kyu-ha told him soon after the December 12 incident of 1979 that he had to give ex-post facto approval of the arrest of Army Chief of Staff and Martial Law Commander Gen. Chong Sung-hwa by Maj. Gen. Chon Tu-hwan and his colleagues.

Kim Chong-pil, president of the United Liberal Democrats, told a press conference at his party office at Mapo that President Choe telephoned him on the morning of Dec. 13, 1979, hours after Gen. Chong was taken away at gunpoint by officers of the Defense Security Command headed by Chon Tu-hwan.

"In the telephone call, President Choe said he gave ex-post facto approval, unaware of what was the situation," Kim said.

Choe, according to Kim, said in the call that he had no way to know the situation since the martial commander was carried off and he could meet Defense Minister No Chae-hyon only in the morning.

The defense minister is said to have gone into hiding at a U.S. military bunker during the crucial hours at that night.

Publicly the former president has persistently refused to say any [as received] about his part in the December 12 incident which President Kim Yong-sam described as a "coup-like incident."

Kim Chong-pil's account indicates that rebellious Army officers whisked away their top commander without any permission or consent from the president.

Also in the telephone call, President Choe remarked that "I thought I was being killed the other night," according to Kim.

The remarks suggest that Chon Tu-hwan and his colleagues used some physical force or at least threat of physical action against the president in the course of obtaining his ex-post facto approval of their arrest of the Army chief.

Choe is said to have resisted Chon's effort to obtain the president's approval in the first several hours, demanding that the defense minister, not Maj. Gen.



Chon, make the request if a presidential approval is actually needed.

#### **Operational Control Over Army Units Reported**

*SK0311051895 Seoul SEOUL SINMUN in Korean  
3 Nov 95 p 2*

[Article by reporter Pak Chae-pom]

[FBIS Translated Text] It was learned on 2 November that the ROK and United States have finally agreed to turn operational control of the ROK Second Army (rear area), which so far has been reserved for the ROK Army in peace or war, to the [ROK-U.S.] Combined Forces only in time of war.

Consequently, the ROK Army will exercise operational control over the First, Second, and Third ROK Armies (the entire area of the ROK) in time of peace, while the Combined Forces will exercise the right of operational control in time of war.

Among the rights of operational control that have been delegated so far to the Combined Forces, the ROK Army regained the right of peacetime operational control over the First and Third ROK Armies (frontline area and capital region) in December last year, the first time it has done so in 44 years.

Accordingly, by gaining operational control of the Second ROK Army area, the ROK Army now exercises operational control over the entire ROK in time of peace.

This agreement was reached at the 17th ROK-U.S. Military Committee held in Seoul on 2 November under the participation of Kim Tong-chin, chairman of the ROK Joint Chiefs of Staff, and his U.S. counterpart, John Shalikashvili, chairman of the U.S. Joint Chiefs of Staff.

At the meeting, as a result of the judgment that the placement of the Second ROK Army under the ROK Army's independent operational control would reduce its operational capability in case of war, the two countries agreed to unify wartime operational control, placing the Second ROK Army under the operational control of the Combined Forces.

With this decision, the Capital Defense Command, which has the mission of defending Seoul, is the only ROK unit over which the ROK Army can independently exercise operational control in an emergency.

Pursuant to this agreement, the Second ROK Army will soon revise "the Second ROK Army's New Operational Plan 5027."

#### **Survey: Pollees Favor Curfew for Juveniles**

*SK3010100795 Seoul YONHAP in English  
0743 GMT 30 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 30 (YONHAP) — Nearly eight out of every 10 people favor the idea of imposing a curfew on youths in an effort to curb juvenile delinquency, an opinion poll commissioned by the Information Ministry said Monday.

The survey of 1,000 adults, both male and female, from across the country conducted by World Research at the request of the Information Ministry revealed that 53.5 percent of those surveyed "positively supported" the proposed curfew for youngsters, while 25.2 percent "supported the curfew somewhat," with the two groups totaling 78.7 percent.

On the other hand, 15.6 percent of the pollees opposed the proposed curfew, while 5.7 percent responded "I don't care."

More people in their 20s than in their 30s expressed objection to the proposed curfew for youngsters. Reasons given for their objections included "fear of adverse effects" (20.5 percent), "infringements upon their human rights" (16.7 percent) and that the doubtfulness of the curfew's efficacy (11.5 percent).

As to the age range that would be subject to the curfew, 55.2 percent opted for 18 years old and younger, 15.2 percent for 19 years and below, and 8 percent for 20 years of age and younger.

Asked about the time at which the curfew should start, 39.9 percent of the pollees said midnight, 26.6 percent 11 PM and 26 percent 10 PM. As for the proposed ending time of the curfew, 39 percent said 5 A.M., while 37.8 percent said 4 A.M.

Regarding punishment for curfew violators, 31 percent of those surveyed said they should be forced to do some sort of "social service activity," while 30.1 percent said arousing their attention by informing parents or schools of their violation and 19.8 percent said taking them into custody until the curfew is over and then permitting them to return home.

As to problems that could arise from instituting a curfew for juveniles, 20.5 percent cited "resistance by youths," while others pointed out the possibility of causing youngsters difficulties in "using tutoring institutes and libraries" (16.7 percent) and "doing normal activities" (13.6 percent). Some 3.5 percent were worried that the curfew would just prompt youngsters to seek hideouts to continue delinquencies.



**Survey Reveals Urban Households' Average Savings**

*SK2910073995 Seoul YONHAP in English*  
*0518 GMT 29 Oct 95*

[FBIS Transcribed Text] Seoul, Oct 29 (YONHAP) — South Korea's urban households have an average saving of 17 million won (22,700 U.S. dollars) and an average debt of 4 million won, according to a recent survey.

The survey of 2,500 households randomly selected from those in 60 cities across the country, conducted by the Bank of Korea, showed that the households having a saving as of the end of April accounted for 98.7 percent of the total surveyed, up 0.3 percentage point from a year earlier, and that they held an average saving of 17.44 million won, up 34.6 percent from April last year.

The households having debt accounted for 33.3 percent of the total against the 27.6 percent registered a year earlier and their average debt stood at 4.13 million won against the 3.3 million won a year before.

Accordingly, the urban households' average net saving stood at 13.31 million won, up from 9.66 million won a year earlier.

The households saved an average of 29.3 percent of their income in the one-year period to the end of April, down from the 32.4 percent recorded a year before.

The savings ratios by income brackets stood at 30.9 percent for those earning 1.4 million won or more a month, 29.6 percent for those earning 1 million won to 1.39 million won, 27 percent for those earning 0.6 million won to 0.99 million won and 15.5 percent for those earning less than 0.6 million won.

**'Serious Dispute' in Cellular Phone Technology**

*SK0111062395 Seoul THE KOREA TIMES in English*  
*1 Nov 95 p 3*

[Article by staff reporter Kim Yong-pom]

[FBIS Transcribed Text] The mobile phone service industry is involved in a serious dispute over CDMA (code division multiple access) technology, just months ahead of commercialization of the new device.

Digital CDMA phone service is supposed to debut next year, but Shinsegi Mobile Telecomm, one of the two cellular phone service operators here, has yet to decide whether to initiate the advanced phone service, as scheduled for April.

The dispute is resulting, first of all, in "uncertainty" over the nascent technology.

Against this background, a local supplier of the CDMA system, Samsung Electronics, announced Monday that

it successfully test-operated the CDMA phone system across Seoul.

The digital CDMA system, deemed as the most promising cellular phone technology, expands the capacity of phone service by 10 to 20 times more than the analogue system, and was selected as the national standard for PCS (personal communications service).

Another cellular phone service provider, Korea Mobile Telecom [KMT] is planning to introduce CDMA phone formula, also next year.

As a competitor of KMT, Shinsegi may be having doubts about the successful operation of its CDMA system.

Complicating the CDMA issue, an American shareholder of Shinsegi is allegedly lobbying the government to allow Shinsegi to start its service with the conventional analogue system, according to industrial sources.

Reacting upon Shinsegi's indecision, Samsung Electronics demonstrated its CDMA service Monday to brush aside any concerns about the reliability of its system.

After successfully test-operating the CDMA service across Seoul, Samsung asserted there will be no hitches in putting the CDMA system into operation.

According to a Samsung spokesman, Shinsegi's move to delay the CDMA service is suspected of being aimed at barring the development of local CDMA technologies.

The spokesman alleged that Air Touch, one of the American shareholders of Shinsegi, is pressuring the Korean government to allow Shinsegi to employ analogue system, instead of CDMA, via its legal consultant Carla Hills, former U.S. trade representative.

The government, on its part, is also checking Shinsegi's indecisiveness, threatening punitive measures.

The Information and Communication Ministry spokesman warned that its business license might be revoked, if Shinsegi fails to comply with the government requirements for the cellular phone service.

He stressed the fact that the business license was issued to Shinsegi "on condition that it employ the locally-developed CDMA system."

Prior to the Shinsegi dispute, the government and state-run Korea Telecom clashed over the selection of CDMA as the national standard digital technology, instead of TDMA (time division multiple access).

Before the Information and Communication Ministry opted for CDMA, Korea Telecom was seeking to introduce TDMA for its PCS service, due to uncertainty over the CDMA system in commercial terms.



CDMA has yet to be a success in its commercialization, while the TDMA system is widely employed in Europe and the U.S., a Korea Telecom spokesman said.

The ministry managed to prevail on Korea Telecom to drop its plan to introduce the TDMA system, however, it has yet to be seen whether the government's insistence on CDMA is justifiable, a Korea Telecom official said.

As there still exists differences between the government and the industry over the new technology, possible flaws in the locally developed CDMA system might lead to more serious dispute, industrial sources said.

#### More on Dispute Reported

SK0211040395 Seoul THE KOREA HERALD  
in English 2 Nov 95 p 8

[FBIS Transcribed Text] Korea Telecom is engulfed with a severe internal dispute in the wake of its decision to adopt the CDMA (code division multiple access) as the PCS (personal communications service) standard technology.

A high-ranking Korea Telecom executive, who has supervised the company's research & development project on the TDMA (time division multiple access) cellular technology, tendered his resignation in protest of the CDMA decision.

Yi Sang-chol, director of KT's wireless business division, submitted his resignation to KT president Yi Chun shortly after KT's CDMA announcement was made Tuesday night.

KT researchers, who worked with Lee in the TDMA project, are also said to be severely agitated over his resignation.

"KT has spent billions of won over the past year to develop TDMA cellular systems. Compared with the CDMA, TDMA is a more proven technology and costs less licensing fees. And consumers can also benefit from lower service charges of TDMA-mode PCS," said a KT researcher. "It is not fair for the government to pressure KT to give up its TDMA efforts," he resented.

A similar sense of anger and frustration is also strongly felt by half a dozen domestic telecom equipment manufacturers, which have participated in KT's TDMA R&D project since early this year.

Daewoo Telecom, Hanwha Telecom, Daeyoung Electronics, Songmi Electronics and a few other companies are expected to sustain huge financial losses, worth more than 10 billion won, as KT suspends its TDMA efforts.

"We have had a great trust in the Korea Telecom-led TDMA project and pumped in several billions of won to buy demonstration system and other R&D equipment.

But all the efforts came to nothing in the end," said a spokesman for Daewoo Telecom.

"The European-initiated TDMA systems currently control nearly 85 percent of the world digital cellular market, while the U.S.-developed CDMA system has yet to be commercialized," the spokesman stressed.

It is notable that CDMA and TDMA are equally sharing the wireless telephone market of the United States, the birthplace of CDMA, while Japan recently launched its own commercial PCS service, named personal handphone system (PHS), which is based on the TDMA technology, he said.

Even China, Southeast Asian countries and East European countries have embraced the TDMA technology. "The growing demand for TDMA systems and equipment in the world cellular market can not be ignored. The selection of CDMA as a single standard means that Korea has to give up the lucrative TDMA export markets," he regretted.

Industry analysts look suspiciously at the motives behind KT's sudden turnabout from its enthusiasm about TDMA.

Korea Telecom hurriedly released a press release late Tuesday night without any prior notice, just a day before MIC Minister Kyong was to attend the National Assembly to explain the government stance on PCS standard. The KT management was forced to switch to the CDMA against their will. The theory is backed by the fact that KT failed to give a clear reason on why it has had to give up the TDMA.

Just until last week, Korea Telecom said that it was firmly determined to push ahead with its plan to introduce the TDMA system.

KT also canceled its plan to conclude a memorandum of understanding (MOU) with Ericsson of Sweden and Northern Telecom of Canada on introducing TDMA technologies.

#### KEPCO Opens Centers for Study of Reactors

SK0211052095 Seoul THE KOREA TIMES in English  
2 Nov 95 p 8

[FBIS Transcribed Text] The Korea Electric Power Corp. (KEPCO) opened a research institute, the Korea Electric Power Research Institute (KEPRI), in a reorganization of the KEPCO Research Center, at the Taedok science town in Taejon in a ceremony yesterday.

Kim Han-chung, 58, a metal and materials engineer active in the U.S., was inaugurated as president of the new institute.



Under KEPRI, two centers — the Center for Advanced Study of Energy and the Environment (CASEE) and the Center for Advanced Reactors Development (CARD) — were also set up, a KEPCO official said.

KEPCO president Yi Chong-hun pledged that the state-run corporation will increase R&R investment from 3

percent of its turnover or 307.4 billion won to 5 percent or 510 billion won in the year 2000 in a "KEPRI 21" declaration read at the ceremony. The number of researchers will increase from 413 to 1,145, he said.



**Brunei, Malaysia & Singapore****Malaysia****Mahathir Leaves for G-15 Summit in Buenos Aires**

*BK0311114495 Kuala Lumpur Voice of Malaysia  
in English 0800 GMT 3 Nov 95*

[FBIS Transcribed Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed has left for Argentina to attend the G-15 [Group of 15] Summit in Buenos Aires. Dr. Mahathir is expected to arrive at Buenos Aires today, from where he will fly to Montevideo for a brief working visit to Uruguay.

The G-15 Summit begins November 6. The G-15 comprises Algeria, Argentina, Brazil, Chile, Egypt, India, Indonesia, Jamaica, Malaysia, Mexico, Nigeria, Peru, Senegal, Venezuela and Zimbabwe.

The prime minister is scheduled to leave for Auckland, New Zealand on November 8 to attend the Commonwealth Heads of Government Meeting.

**Attendance at Osaka APEC Forum Shows Concern**

*BK0311095595 Kuala Lumpur BERITA HARIAN  
in Malay 3 Nov 95*

[Editorial: "Malaysia Is Concerned Over APEC Interests"]

[FBIS Translated Text] The East Asian region has the most dynamic economic growth. The majority of the countries in the region recorded an over 6 percent Gross National Product (GNP) in 1994. For example, China has recorded 11.5 percent, Malaysia 8.3 percent, Singapore 8 percent, Thailand 8 percent, Indonesia 7.5 percent, while South Korea 6.5 percent.

Apart from the encouraging economic growth, the East Asian region has also provided the greatest market opportunities in the world. With the return of China and Vietnam to the free market system, there is an abundance of trade opportunities unrivalled by other regions.

While the world is moving toward the creation of international trade liberalization based on the World Trade Organization (WTO) which replaces the General Agreement on Tariffs and Trade (GATT) beginning 1 January, the existence of several trade blocs is making it difficult to achieve this goal. The most outstanding example is the emergence of the European Union (EU) and the North America Free Trade Agreement (NAFTA). These two trade blocs are trying to protect the interests of their member countries.

Although the United States was the main initiator of NAFTA, it could not maintain its bargaining power on the European market.

By participating with the East Asian countries, whose economy is rapidly developing, the United States is hoping that it will have a stronger bargaining power. In relation to this, it is no longer a secret that the United States wants to turn the Asia Pacific Economic Cooperation (APEC) into a trading bloc that no other regional groups can compete with. Countries like Japan, China, South Korea, Indonesia, Malaysia, Singapore, Hong Kong, and Taiwan will act as complements to U.S. power.

Malaysia is opposed to the pretentious efforts by the United States and its comrade, Australia. Kuala Lumpur does not want APEC to turn into a trade bloc, instead it should remain a loose trade forum to protect the interests of its 18 members.

Prime Minister Datuk Sri Dr. Mahathir stressed this matter several times, but on the other hand, he is considered a contender to APEC that was established in 1989.

The issue of Dr. Mahathir's refusal to attend the first APEC summit in Seattle in 1993 had been blown out of proportion, whereas no appropriate attention was paid to his wise view on the future of the forum.

Australian Prime Minister Paul Keating, had reacted arrogantly by accusing Dr. Mahathir of being recalcitrant simply for not attending the summit.

Although he was present at last year's summit in Bogor, Indonesia, Dr. Mahathir stuck to his stand that APEC should remain a trade forum and not a trade bloc. He was also of the opinion that APEC should continue to uphold the spirit of cooperation and solidarity based on the principle of achieving consensus through negotiations among member countries.

At the APEC forum in Bogor, leaders of member countries committed themselves to achieving free trade in Asia between the years 2010 to 2020. However, Malaysia feels that any fixed timetable for achieving this goal should not be imposed on all member countries because some would need more time to prove their economic capability and competitiveness.

Although Malaysia's viewpoint was attached to the Bogor Declaration, certain parties continued to ignore it. Based on this development, Dr. Mahathir did not make an early decision about his attendance at the APEC summit in Osaka, Japan on 19 November until the cabinet decided yesterday that he should attend.



The prime minister's decision to attend the APEC summit in Japan shows Malaysia's concern in handling issues related to regional interests. Although recently, Japan showed an indecisive attitude toward the East Asia Economic Caucus (EAEC), Dr. Mahathir was not taking revenge; instead he welcomed the visit by the Japanese Government's special envoy, Masajuro Shiokawa, to persuade him to attend the APEC summit.

We feel that the attitude shown by Malaysia in general and by Dr. Mahathir in particular, is totally different from that of the United States. Although Washington is trying to hide its aim to use APEC for its own and Australia's interests, it has failed to do so. It has also failed to hide its ambition to destroy EAEC likewise admitted by former Secretary of State James A. Baker in his book entitled "The Politics of Diplomacy" [title in English].

### Indonesia

#### MP Attributes U.S. F-16 Offer to Better Ties

*BK0111044895 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 1 Nov 95*

[FBIS Translated Text] U.S. President Bill Clinton's offer of several F-16 planes to President Suharto shows that bilateral ties have improved. The offer certainly showed an improvement in ties with the United States which were recently strained by human rights and democracy issues.

Abu Hasan Hazili, vice chairman of parliament's Commission I [Roman one], disclosed this to reporters in Jakarta yesterday. The offer was made when the two heads of governments held talks in Washington. Abu Hasan said the offer also demonstrates the U.S. Government's confidence in Indonesia that we will not use the arms for expansion or other negative purposes.

#### Malaysian Premier's Criticisms of APEC Viewed

*BK0311092695 Jakarta KOMPAS in Indonesian 3 Nov 95*

[Editorial: "There Is Nothing Wrong in Listening to Prime Minister Mahathir's Suggestions and Criticisms About APEC" — received via Internet]

[FBIS Translated Text] Malaysian Prime Minister Mahathir Mohamed confirmed his attendance at the APEC [Asia-Pacific Economic Cooperation] economic leaders meeting in Osaka (Japan) on 19 November. Speaking to the BERNAMA news agency, Prime Minister Mahathir expressed hope that he would get the opportunity to voice his personal views, as well as those of the government on APEC.

Prime Minister Mahathir's presence in Osaka will be interesting because of his critical and conditional stance on APEC. Prime Minister Mahathir has initiated the establishment of EAEC [East Asia Economic Caucus] as an economic cooperation forum that would include East Asian countries and exclude such Western countries as the United States, Canada, Australia, and New Zealand.

Prime Minister Mahathir refused to attend the first APEC economic leaders meeting in Seattle (the United States) in 1993 simply because of his hard-line stance. Prime Minister Mahathir attended the second meeting in Jakarta last year apparently to maintain good relations with President Suharto. He reluctantly accepted the Bogor Declaration as a manifestation of the early commitment of 18 APEC members to the realization of free trade and investment in the region.

The "death knell" rang for the Mahathir-initiated EAEC during the ASEAN ministerial meeting and the meetings between ASEAN and its dialogue partners in Singapore in 1993 when EAEC was declared a caucus within APEC.

The EAEC concept was mooted for the first time in Kuala Lumpur (Malaysia) in December 1990. The objective of EAEC [East Asia Economic Grouping], as the caucus was known at that time, would be to face such Western trade blocs as the single European market and NAFTA [North American Free Trade Area] if the Uruguay round of multilateral trade under GATT failed.

Prime Minister Mahathir has reservations about APEC because he does not want Washington or Canberra to determine the Asia-Pacific economic integration process. Moreover, Prime Minister Mahathir has reservations about signs that APEC will be institutionalized instead of remaining a loose forum for economic cooperation.

The Bogor Declaration set 2010 as the deadline for industrialized countries to achieve free trade and investment, and 2020 as the deadline for developing countries to do so. At the Osaka meeting this month, APEC is expected to issue an action agenda on free trade and investment.

Nevertheless, there have been doubts about the issuance of the action agenda because of friction among members on the agricultural sector. Japan, South Korea, China, and Taiwan are not ready yet to liberalize the sector because the move will not be politically supported by their respective peoples. On the other hand, such exporters of agricultural products as the United States, Australia, and New Zealand will insist that the sector be immediately liberalized.

There is a sharp dispute between the Japanese Government and the private sector over the liberalization



of the agricultural sector, only two weeks before the APEC senior officials meeting starts on 16 November. The private sector believes that Japan should open up its agricultural market to enable Japanese products to compete with imported products, but the Japanese Government is of the opinion that Japan still needs five more years or should wait until 2015 to liberalize its protected market.

We are not sure yet whether Japan as the host of the APEC economic leaders meeting, with the support of three other East Asian countries, will eventually back down. We are waiting anxiously to know whether the Osaka meeting will yield the APEC action agenda as a blueprint for free trade and investment in the Asia-Pacific region.

More or less, Prime Minister Mahathir's reservations about signs that APEC will be institutionalized should be noted. From the outset, he has repeatedly expressed his scepticism about APEC's objective. As a result, he has been somewhat shunned from regional diplomacy.

Prime Minister Mahathir was not involved in the negotiating process — from the beginning until the Bogor Declaration was agreed upon. According to an AFP report on Wednesday (1 November), the prime minister reiterated that his decision to be present in Osaka did not mean that he had endorsed the consensus embodied in the Bogor Declaration.

Prime Minister Mahathir said that he hoped to have the opportunity to voice his views on a number of issues. He, however, set a range of preconditions; APEC should not become a trade bloc, each member has the right to conduct trade with anybody, and APEC should not become a consultative forum.

Amidst doubts whether the Osaka meeting will yield the APEC Action Agenda, all members should provide Prime Minister Mahathir with the opportunity to speak. There is nothing wrong in listening to the outspoken Southeast Asian leader's suggestions and criticisms.

#### **Appreciation of Domestic Products Urged**

*BK0311071895 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 2 Nov 95*

[Station commentary]

[FBIS Translated Text] Speaking yesterday aboard the plane on his return home from Colombia, the United States, Suriname, and Saudi Arabia, President Suharto said the United Arab Emirates' wish to purchase more aircraft produced by IPTN [Nusantara Aviation Industries] shows that other countries have confidence in Indonesian products, while some people in Indonesia do not appreciate their own products. Even though the pres-

ident's remarks are only related to the country's aviation industry, they also carry deeper implications. After the first 25-year Long-term Development Master Plan was completed, our country's industrial sector began to make rapid progress. We have produced not only textile and garments, but also other commodity goods, including computers and other sophisticated goods such as aircraft.

It is worth noting that IPTN made its debut with its CN-250 planes at an aviation industry in [name indistinct] in northern France last June. IPTN also established an assembly plant for CN-250 planes in Alabama, the United States, and tried to enter European market [words indistinct]. IPTN products will be more competitive than those produced by its Italian rival [name indistinct]. It is therefore understandable why the UAE wants to buy more CN-235 planes to patrol its territorial waters.

As for other industrial products, Indonesia can claim that its electronic industries have also made significant progress. In 1994, the value of the country's electronic industries stood at U.S. \$3 billion, while this sector's exports stood at U.S.\$1.6 billion. Compared with the situation in 1989, or five years earlier, the value of the electronic industries stood at only U.S.\$750 million and its exports at U.S.\$105 million.

The international community's warm response to the Indonesian products, which can be seen from the IPTN presence at the French aviation exhibition, demonstrates their appreciation of what we have produced. It would therefore be appropriate if we adopted a similar attitude instead of adopting the opposite one.

### **Thailand**

#### **Nation's APEC Standing on Free Trade Viewed**

*BK0311051295 Bangkok BANGKOK POST in English 3 Nov 95 p 26*

[Report by Chatrudi Theppharat]

[FBIS Transcribed Text] Thailand's APEC [Asia Pacific Economic Cooperation] position is that all categories of products, including agricultural goods, should be included under the trade liberalisation scheme.

With the long transition period available before full implementation all product categories should be included in the free trade programme, said Deputy Prime Minister Amnuai Wirawan.

Mr. Amnuai, who also serves as chairman of the International Economic Relations Committee, acknowledged that there are still many issues remaining to be discussed about the programme by the member nations' leaders at the Osaka meeting.



Last year in Jakarta, the Asia Pacific Economic Cooperation agreed to establish a free trade zone among the 18-member countries by 2020 with liberalisation for developed countries to occur ten years earlier.

However, two ongoing disputes are expected to dominate the Ministerial Meeting in Osaka, Japan, from November 16-19.

The first is whether agricultural products such as rice should be included in the free trade programme Japan, China, South Korea and Taiwan argue that to dismantle their existing quota and tariff systems supporting domestic agricultural industries is politically and culturally not feasible at this time.

The second dispute concerns non-discrimination meaning that non-APEC countries will enjoy the same trade benefits as member countries, a concept which is supported by the ASEAN countries.

At yesterday's meeting of the committee, Mr. Amnuai repeated Thailand's position supporting non-discrimination.

The United States is firmly opposed, arguing that this would allow countries such as India and European Union nations to receive a free ride without having to implement their own market reforms.

The committee also agreed that Thailand's moves to open the banking, insurance, finance and investment sectors represent the country's initial "down-payment" towards the call by APEC for trade and services liberalisation.

Mr. Amnuai said it was still too early to say exactly what goods will receive what exact benefits and when. Specific details remain to be negotiated with the other member countries.

However, given the present dispute, Mr. Amnuai did not expect that agricultural products would be discussed in detail at the Osaka meeting.

Besides developing a free trade zone, other goals championed by APEC include sharing technical and educational assistance and technology transfer among the APEC nations.

Implementation of this is not likely to be discussed at the Osaka meeting, but will most probably wait until next year's meeting in Manila, the Philippines.

Mr. Amnuai added that before the Osaka meeting, the economic leaders of the ASEAN nations are likely to meet to coordinate their common positions to be discussed within APEC later this month.

The ASEAN representatives will also lay the groundwork in preparation for next month's ASEAN Summit

in Bangkok, which is expected to focus heavily on the issues of trade and services.

#### **Economic Board on Means To Control Inflation**

BK0311052395 Bangkok THE NATION in English  
3 Nov 95 pp B1,B2

[Report by Surachai Chuphaka]

[FBIS Transcribed Text] Hua Hin — The National Economic and Social Development Board's [NESDB] economic sub-committee has estimated that the average annual inflation rate during the 8th national plan will not exceed 4.5 per cent per annum.

The projected rate, which is far below the Bank of Thailand's 1995 target of 5.25.4 per cent, could be met if Thailand's economic growth remained below eight per cent per year and if the government developed sufficient infrastructure, encouraged better income distribution and allowed market mechanisms to take their natural course, said Phanat Simasathian, the sub-committee chairman.

Between the years 1996-2001, the subcommittee has predicted average annual economic growth of eight per cent per year and annual export growth of 16 per cent per year. The trade deficit would have to be reduced from the current 6.6 per cent of gross domestic product (GDP) to 3.9 per cent by the year 2001 and the current-account deficit reduced to 3.4 per cent by the same year.

Phanat noted that if annual growth exceeded eight per cent, additional investment would be required to meet demand. The country would need more foreign investment capital and imported machinery, and the costs could deepen the savings-investment and income distribution gaps.

By the year 2001, household savings are predicted to rise to 10 per cent of GDP from the current four per cent, while state savings would need to be maintained at 15 per cent. The external debt is expected to remain below 10 per cent of the country's total export revenue.

To achieve the target, the agency said the private sector must play a leading role and the public sector must be content to contribute infrastructure improvements only. State investment must not exceed 40 per cent of budget; expenditure currently runs at about 37 per cent. The national budget would also have to be determined in accordance with prevailing economic conditions so that spending would not affect economic stability, said Wirat Watthanasiritham, the NESD's deputy secretary-general.

The NESDB, however failed to come up with measures to reduce the savings-investment gap, encourage long-



term savings via insurance policies or promote the development of the secondary bond market.

In order to reduce the current-account deficit, the NESDB stipulated that government must provide incentives such as soft loans or zero-interest loans to private firms to encourage investment in research and development. Moreover, multinational firms must be encouraged to transfer technology and invest in high technology production and training centres.

To help the maritime sector, the leading contributor to Thailand's current-account deficit, the government must encourage Thai-foreign joint ventures to upgrade local training, develop networks with neighbouring countries and improve complementary transport between ports and final destinations.

#### **Latest Turmoil in Shan State Explored**

*BK0311052695 Bangkok THE NATION in English  
3 Nov 95 p A10*

[Article by Chao-Tzang Yawngnwe: "On the Wrong Side of History;" a footnote describes the writer as a son of the late Sao Shwe Thaik, who was Burma's first independent president from 1948-1952.]

[FBIS Transcribed Text] In January 1995, a group of Shans met in New York City and subsequently issued the "New York Declaration" which reiterated the right of the Shan to freedom, identity, human rights and pledged to work with other democracy groups and activists to restore democracy.

They also expressed the willingness to explore with the Burman, Mon, Karen, and others the possibility of coexistence under one flag.

The New York Declaration was welcomed by all groups in Shan State and also the Mong Tai Army (MTA). In the light of the fact that the MTA had declared Shan independence a few months earlier, its acceptance of the declaration was significant.

The political impact of the Shan New York Declaration was further boosted when the Burmese junta leader Lt. Gen. Khin Nyunt publicized the activities of overseas Shan in a speech to a national conference of teachers. It seemed that the Shans had finally got their act together, and were set to become a constructive dynamic force in the remaking of a new future for all the people and nations of Burma.

However, a few months later, the convoluted pattern of Shan politics reasserted itself. Ganyod, the rising politicomilitary star of the MTA broke away and began ceasefire talks with the Burmese junta, known as the State Law and Order Restoration Council (SLORC).

The reason given by him was that the MTA was dominated by Chinese elements and that its leader Khun Sa was not a bonafide nationalist. He also accused Khun Sa of cooperating with the Burman military in order to protect his opium-heroin trade and, in a Machiavellian way, to internationally discredit the Shan national movement.

Obviously, Ganyod's defection and subsequent action, besides being quite naive, do not jibe with his nationalist stance and words. From the standpoint of logic, it is irrational. However, in terms of the dynamics of convoluted Shan politics, it does make perfect sense.

Mass defection is not new. In the mid 1960s, about two-thirds of Shan rebel strength, their leaders tempted by the prospect of trade and profit, embraced Ne Win's Ka Kwe Ye (homeguard) programme (an arrangement similar to Khin Nyunt's ceasefire agreement).

Moreover, Shan politics (and its logic) do not travel in a straight line mainly because such is the politics of nations that have somehow landed on the "wrong side of history."

Like the more celebrated Kurds, Basques, and sons of Punjab, the Shans (Dai) or the land they inhabit got left out when Europeans began to remake the world in the 19th century, in accordance with their notion of neat boundaries that distinguished one "nation-state" from another.

The outcome of western nation-making has been the forced inclusions of many nations under one flag and attempts by new "owners" of new "nation-states" to deny with state terror and brutality the "nation-ness" of other nations.

The Dai, ruled for centuries by their princes, were part of the upland Shan-Lao political system, consisting of principalities which paid tribute (often simultaneously) to whichever neighbouring "kingdom" displayed interest in them.

The Shan-Lao system was broken up by the Europeans and incorporated into what have become Vietnam, Siam (Thailand), Laos, Burma and Yunnan (China) — an arrangement in line with the European sense of inter-state order (underpinned, of course, by the imperatives and expediencies of economic rationality, i.e. consideration of trade, profit, and wealth-making).

It was thus, the Dai of the present day Shan State became under British tutelage, part of colonial Burma, and later, by virtue of the Panglong Agreement (1947), part of the Union of Burma.

What is noteworthy is the economic significance of Shanland; it connects the economy of the Irrawaddy



plains with the upland regions of China (Yunnan), North Thailand, and Laos — which incidentally, were regions that figured largely in the U.S.-Kuomintang "secret" war against Mao's China from the 1950s to the mid 1970s.

This war was financed by a crop for which the Shan soil and climate proved ideal, opium — the raw material of a global billion dollars industry. The economic importance of Shan State was further boosted when it became the "soft under-belly" so to speak, of Burma's socialist economy.

Shan or Dai nationalism began as all nationalism does — through contacts with the externally imposed construction of reality expressed in terms of "the national," i.e. national history, national culture, national state, national rights, and the 'ad hominem' notions of human dignity and human rights as refined and advanced by the West.

Reinforcing Shan nationalism were the atrocities committed by Burman soldiers, dispatched ostensibly to "defend the Union," but who pillaged, raped, killed, and brutalized with impunity (and without morality or compassion, although they are, strangely enough, Buddhists). Such actions represented, to the Shans, a Burman racist policy to destroy them completely, to cleanse them from history.

It is from the Shan experience with the world of "nation-states" as victims, that were born the "armies" of resistance, such as the Num Suk-han (Young Warriors), Shan State Independence Army (SSIA), Shan State Army (SSA), Shan United Army (SUA), and the MTA, to name some.

The tragedy for the Shans was that their homeland was the "soft- underbelly", politically of Mao's China, and economically of Ne Win's socialist economy.

As such, Shanland became a commercial-political chess-board for actors with interests other than Shan nationalism who, in turn, were linked to the world of the powerful (i.e. communist "revolutionaries" such as Mao, his wife, and his protege, Lin Piao; anticommunist warriors, intellectual cowboys, antinarcotics Rambos of many flags; the police-military-security "big men" of various governments, and transnational Chinese tycoons and gangsters).

They all did well (career-wise or in terms of money), while Shan armies fought year after year, and gained, in return, only reputations as drug armies. In time, narcotics, instead of politics, became the "reality" that defined Shan State for those on the outside looking in.

For those inside, Ganyod, for example (and thousands of young Shans), reality was risking their lives fighting

under, or for, Khun Sa, a leader whose political credibility in the world outside was zero.

Added to their frustration, was the presence of Chinese "old-timers" and "fixers" who, as the MTA's economic strategists, filled their own pockets and as well, the belly of the army. They dictated who the enemies of the day were, and had, within the MTA, a substantial say in deciding who was to be trusted or distrusted, promoted, demoted, executed or allowed to prosper.

To be sure, Khun Sa was the supreme warlord, but like all leaders, his main occupation was striking a balance between components which constituted his power base. The notion that a leader leads, that he is supreme, is a relic of a simpler past which, nevertheless, continues to colour the perception of leadership even in the 21st century.

Ganyod's defection has dealt Khun Sa a painful blow. The Shan solution has been to empower the executive, legislative representatives, supervisory bodies which hitherto existed only on paper.

Nonetheless, Khun Sa has still an important role to play since the belly is the most important part of any army. His job is none other than to lead like a modern leader — i.e. to empower institutions already in place, activate the institutional channels of power, delegate responsibility, create new leaders, and so forth. He will also have to simultaneously placate the Chinese elements who hold the purse strings.

Whether or not he is up to the task — a daunting one for anyone — remains to be seen. It is doubtful if Khun Sa realizes what his new role is. Most probably he does not.

As for Ganyod, he has, like many "Young Turks" in various armies, who shook up the status quo and has, in the process, committed political suicide. Having landed in SLORC's [State Law and Order Restoration Council] pocket, he is unlikely to be trusted as a leader by the Shans (nor will he be trusted by the Burman military). If he is lucky and accomplished he will likely make some money and live comfortably the rest of his life — if SLORC is kindly disposed toward him.

Given the convoluted nature of Shan politics (and incidentally, Burma's as well), Khun Sa's fall or reemergence, like the proverbial Phoenix, will not make much of a difference because in Shan State, SLORC has achieved neither victory nor won any friends. Its "allies," the ex-communist Kokang-Wa armies, the Lahu, Palaung, Pa-O, and Kachin forces do not have much respect for the Burman military, and given the situation of Shan State as a lucrative economic-commercial backdoor to, and from, four countries — Burma, China,



Laos and Thailand — Shan politics will likely remain convoluted and volatile for many, many years to come.

Perhaps there is a moral regarding leadership in the predicaments of dictators, big and small — those in the communist world, and Ne Win, Bo Mya, Khun Sa, Suchinda, and Suharto. The world is changing, and brain power rather than "gun power" may be what is needed to unify or modernize countries and nations. Khin Nyunt is lucky in that he has Aung San Suu Kyi nearby. The sooner he realizes his luck, the better will it be for him and for everyone else in Burma.

#### **Burma Reinforces Troops for Minority Clashes**

*BK0311043195 Bangkok BANGKOK POST  
in English 2 Nov 95 p 1*

[Unattributed report]

[FBIS Transcribed Text] Rangoon has sent 400 troop reinforcements and artillery into Kayah State opposite Mae Hong Son to prepare for clashes with minority groups.

The Karenni National Progressive Party said the reinforcements, with large quantities of artillery and small arms ammunition, were taking position opposite Khun Yuam and the town districts.

Karenni officers said the Burmese were responding to the loss of 200 soldiers in clashes with rebels in Kayah State over the past four months.

It was reported that 4,000 Burmese troops have been deployed in Kayah, where the Karenni, who have 1,200 fighters, have asked for help from Khun Sa's Mong Tai Army, which is also preparing for a winter assault.

Karenni representatives, meanwhile, were negotiating with Rangoon for a ceasefire.

#### **Possible Abuse of Money-Laundering Law Cautioned**

*BK0311033195 Bangkok THE NATION in English  
3 Nov 95 p A1, A3*

[Unattributed report]

[FBIS Transcribed Text] Senate Speaker Michai Ruchuphan urged caution yesterday when considering the proposed anti money-laundering law, saying that certain innocent people could fall victim to "unreliable" law enforcers and politicians.

Citing the Sherry Ann Duncan murder case as an example, he said that even though certain senior policemen and public prosecutors learned that there were "mistakes" in the police investigation, they failed to order

the case's withdrawal. He said he thought the officials were afraid of possible criticism if they had done so.

"What happens if the process (of a money laundering investigation) turned out the same?" he said.

A re-investigation into the nine-year-old murder case has been ordered after the Supreme Court acquitted four suspects, two of whom have died, one in prison.

Michai said the concerned officials "seemed not to care how painful it was for those unfairly imprisoned for a long time".

He said that he was "concerned" about the country's "elementary justice process", that is the police, following the murder case.

A money laundering law "would pose no problems" in countries where the police and the judicial process were "functional and reliable", but for countries that lack such qualities, caution should be adopted, the Senate speaker said.

Michai warned that the proposed legislation might "become a tool that could cause problems for certain people".

He said that if the law targeted "only 100 people" out of 60 million Thais, the majority should not be affected. But he claimed that every Thai could be frequently asked about their source of income if the law came into practice.

The proposed money laundering law would allow authorities to freeze the assets of suspects, even before going to court.

The Senate speaker yesterday received a visit from the Colombian ambassador to Thailand at his office at Parliament building.

Michai said he told the envoy that he agreed with a recent remark by the Colombian president that narcotic "consumer countries" should jointly work with "source countries" in the effort to fight drug use.

"It is not right for (certain consumer countries) to point their finger at (source countries) and tell them to pass certain laws," Michai said.

#### **Lao Ambassador Comments on Mobilizing Investment**

*BK0311032995 Bangkok THE NATION in English  
3 Nov 95 p A3*

[Unattributed report]

[FBIS Transcribed Text] Vientiane is keen to mobilize investment through the proposed Indochina Fund for in-



infrastructure projects, according to the Lao Ambassador to Thailand, Bounkeut Sangsomsak.

Bounkeut said the government also welcomed Thai proposals to relocate some labour-intensive industries, particularly agriculture and animal husbandry, to Laos.

This was in line with Vientiane's economic policy to promote the country's agricultural sector, especially in the northern highlands. He said the Charoen Phokkhaphan [CP] Group had already expressed an interest in corn farming in Laos.

"Further details will be discussed next week," Bounkeut said.

The ambassador was responding to a proposal floated by Foreign Minister Kasemsamoson Kasemsi that labour-intensive industries should relocate to Laos to offset the growing labour shortage in Thailand, especially in Northeast.

Under this proposal, the government would set up a Bt5 billion fund through the Export-Import Bank to help finance Thai investment in Indochina and Burma.

Finance Ministry has still to finalize the structure of the proposed fund and the administrative aspects before submitting it to the Cabinet for approval.

Finance Minister Surakiat Sathianthai raised the proposal when he visited Laos in September, together with the possibility that Thailand would help finance the reconstruction of Highway No 9, which links the southern Lao province of Savannakhet with Thailand's Mukdahan and the Vietnamese sea port of Danang in the east.

During the visit, Laos requested additional grant aid worth about Bt200 million for the expansion of the Luang Prabang airport runway. Bangkok had already approved Bt50 million for the reconstruction of the Luang Prabang air terminal, landing aid equipment and repairs to the runway.

The development of infrastructure network linking Thailand with Indochinese states will top the agenda of the 5th meeting of Thai-Lao Joint Commission in Vientiane on Nov 8-9. Foreign Minister Kasemsamoson will head the Thai delegation.

The meeting will also review and improve the administration of the Thai-Lao Friendship Bridge, and discuss the possibility of a second bridge across the Mekong River between Thailand and Laos.

Ambassador Bounkeut said the 5th ministerial-level meeting of the commission would consolidate cooperation between the two countries.

"Laos is very satisfied with the progress that has been made in bilateral relations," he said.

The annual meeting will review past cooperation in political, economic and social areas, discuss new areas of cooperation, and find ways to improve consular cooperation and immigration regulations to facilitate cross-border activities.

A Thai consulate in Savannakhet and a Lao consulate in Khon Kaen are expected to open in December following agreement last year to facilitate visa procedures for tourists and business.

Laos has indicated it is prepared to discuss the opening of another three international checkpoints along the common border: Tha Li-Sayaboury, Nan-Pak Beng and Chong Mek-Pakse. Presently there are three international checkpoints: Chiang Khong-Houai Sai, Nong Khai-Tha Naleng and Mukdahan-Savannakhet.

Discussion will also cover problems with the redemarcation of Ban Romklao [in Phitsanulok Province].

## Vietnam

### Party, National Assembly Heads Receive PRC Envoy

BK0311051795 Hanoi VNA in English  
1509 GMT 2 Nov 95

[FBIS Transcribed Text] Hanoi VNA Nov.2 — Party General Secretary Do Muoi and National Assembly Chairman Nong Duc Manh received here this afternoon on separate occasions the out going ambassador of China, Mr Zhang Qing.

Speaking to the Chinese diplomat, Mr. Do Muoi expressed his wish that with traditional friendship and solidarity, China and Vietnam would work together to further develop their political, economic, cultural links for the interests of the two peoples, for peace, stability, cooperation and development in the region and the world at large.

In his reception, Chairman Nong Duc Manh spoke highly of the contributions made by Mr. Zhang Qing during his term of office here to the friendship and cooperation between Vietnam and China. He asked the out-going ambassador to convey his invitation to Chairman of the Chinese National People's Congress Mr Qiao Shi to pay a visit to Vietnam.

In his replies, Mr Zhang Qing expressed his sincere thanks to the Vietnamese party, state, National Assembly and people for their support and assistance extended to him in during his tenure in Hanoi, where he had seen with his own eyes the achievements recorded by the Vietnamese people in the current renovation process.



**Hanoi, Beijing Trade Unions Want Expanded Ties***BK0211084395 Hanoi VNA in English  
0618 GMT 2 Nov 95*

[FBIS Transcribed Text] Hanoi VNA Nov. 2 — The trade union organisations of Hanoi and Beijing want further enhancement of the friendship, officials said here on Monday at a working session.

The working session, held here between officials of the Hanoi Municipal Federation of Labour and Beijing's Federation of Trade Unions, is part of a visit by Chinese trade union comrades. The Beijing delegation is visiting Vietnam with the federation's vice president as head.

At the session, the hosts and guests informed each other of the outcomes of Vietnam's renewal process and China's open-door policy for politico-economic development. They also spoke of the positive contributions by trade union organisations to the development of the two capital cities of Vietnam and China.

**'Sources': Do Muoi To Visit PRC in Late Nov***OW0211100295 Tokyo ASAHI SHIMBUN  
in Japanese 31 Oct 95 Morning Edition p 9*

[By Koichi Kosuga]

[FBIS Translated Text] According to informed sources here, General Secretary Do Muoi of the Vietnamese Communist Party, the country's top leader, is scheduled to visit China in late November and hold talks with top Chinese officials, including President Jiang Zemin. The sources said China and Vietnam are currently making arrangements for Muoi's schedule. The two leaders are expected to exchange views extensively on various issues such as land and sea territorial disputes, and the issue of how to overcome evil practices caused by the positive promotion of open-door economic policies under one-party rule.

It is most likely that Muoi's visit will begin on 28 November and end around 4 December. Since President Jiang paid an official visit to Vietnam in November 1994, the secretary general's upcoming visit will be a return visit.

Because the border between the two countries has become more ambiguous since the Sino-Vietnamese war in 1979, final coordination is now in progress on the first joint aerial photographing project for borderline demarcation. Moreover, talks will also be held at the working level on demarcation of the borderline for the Gulf of Tonkin (known as Northern Bay in Vietnam).

However, concerning the territorial dispute over the Spratly Islands (known as the Nansha Islands in Chinese and Chuonsa [as transliterated] in Vietnamese), an

accord was reached on setting up "a panel on maritime issues" during President Jiang's visit to Vietnam, but no noteworthy progress has been made so far. For example, Vietnam has denounced China for signing contracts with U.S. firms on conducting a joint petroleum survey in the waters off the Spratly Islands.

**Accord Signed With Togo To Promote Cooperation***BK0311054695 Hanoi VNA in English  
1509 GMT 2 Nov 95*

[FBIS Transcribed Text] Hanoi VNA Nov.2 — Vietnam and Togo signed here today a framework agreement on cooperation in economy, trade, culture and science and technology in the presence of State President Le Duc Anh and his visiting Togolese counterpart, Mr. Gnassingbe Eyadema.

Signatories were the Vietnamese minister of planning and investment and the Togolese minister of planning and territorial planning.

The Togolese president and his party left here later, ending his two-day official visit to Vietnam. They were seen off by President Le Duc Anh and his wife, Minister for Planning and Investment Quoc Sam, Head of the Presidential Office Nguyen Viet Dzong, Deputy Foreign Minister Nguyen Dinh Bin and other Vietnamese senior officials.

Speaking at the farewell ceremony, Mr. Gnassingbe Eyadema stressed that his visit to Vietnam has brought about fine results which were manifested through the framework agreement inked between the two governments, and that the two governments would create opportunities for their relevant institutions to effectively implement the agreement. He said he believed that the cooperative relations between Vietnam and Togo would be further developed in the interests of each country as well as each region.

For his part, President Le Duc Anh said he hoped that the Togolese president's visit to Vietnam would be a fine start for the development of the cooperation and friendship between the two countries in the future.

**Lao Trade Union Delegation on Working Visit***BK3110161395 Hanoi VNA in English  
1424 GMT 31 Oct 95*

[FBIS Transcribed Text] Hanoi VNA Oct. 31. — A delegation of the Lao Federation of Trade Unions led by Vice President Bounpone Sangsomsak is on a working visit to Vietnam.

The delegation was received by Ms. Cu Thi Hau, vice president of the Vietnam General Confederation



of Labour (VGCL). The two sides informed each other of their countries' socio-economic situation and trade unions movement. They also exchanged views on the issues of common concern and expressed their wish for the further consolidation and development of the special friendship between the working class and trade unions organisations of Vietnam and Laos.

The Lao delegation will work with officials of localities, branches and institutions in Vietnam.

**Interior Minister, Delegation Visit Burma**

*BK0311074395 Hanoi VNA in English*  
*0650 GMT 3 Nov 95*

[FBIS Transcribed Text] Hanoi VNA Nov. 3 — Minister of the Interior Mr. Bui Thien Ngo headed a seven-member delegation for an official visit to Myanmar [Burma] from Oct. 25-30 as guest of his Myanmar counterpart Lieutenant General Mya Thin.

The Vietnamese delegation was received by the President of the State Law and Order Restoration Council (SLORC) Senior General Than Shwe. It held talks with a delegation of Myanmar's Interior Ministry led by Lieutenant General Mya Thin, during which the two sides compared notes on the situation and work of defending national security and social order in their countries.

The delegation also met with the mayor of the capital city Yangon [Rangoon], the minister of Border and Ethnic Affairs and Development, and the director of the Institute of Civil Officials Training. The meetings took place in an atmosphere of friendship, sincerity, mutual trust and understanding.

The Vietnamese delegation also toured some police stations, training centres and localities in Myanmar.

**Malaysia To Join in Oil Exploration Efforts**

*BK0111161995 Hanoi Voice of Vietnam in English*  
*1000 GMT 1 Nov 95*

[FBIS Transcribed Text] A minister with Malaysian prime minister's office, Mr. Mustafa, said: Malaysia and Vietnam will join efforts in oil exploration and exploitation in overlapping area between the two countries. The area has a deposit of 71 million barrels and 13.6 billion cubic meters of gas.

**SIDA Helps Improve Local TV Stations**

*BK0111090395 Hanoi Voice of Vietnam Network in Vietnamese* 1100 GMT 27 Oct 95

[FBIS Translated Excerpt] In Can Tho province on 26-27 October, the Can Tho Television Station held a seminar to appraise the results of the television broadcasting

development project sponsored by the Swedish organization SIDA [Swedish International Development Aid].

Attending the seminar were representatives from the Can Tho Party and People's Committees, the Office of the Prime Minister, the Ministry of Planning and Investment, the Ministry of Culture and Information, and the Voice of Vietnam. Also attending the function were leading cadres, writers, and reporters of television stations from nine provinces of the Mekong River Delta; and representatives of the Hanoi and Thua Thien-Hue Television Stations that were built with assistance from SIDA.

Since the implementation of the project on 8 April of this year, the Can Tho Television Station, which used to relay only programs from the national station, began broadcasting its own program for an hour a day. It has since extended this program to three hours a day. As a result, the quality of its direct broadcasting programs has improved remarkably. Its reporters have been promptly reporting political, social, and economic activities of the province to the television viewers. Programs on telephone and studio interviews, and live coverage of important events have also been introduced to the local viewers. Thanks to these efforts, these programs have drawn a large audience and are very popular now among the people in the province. In addition to improving its various programs, the Can Tho Television Station has been seeking more aid to strengthen its network. SIDA has already pledged to provide equipment for a receiving station, more transmitters, and a microcomputer worth nearly half a billion dong. [passage omitted on an indistinct interview with Mr. (Carl Diksson), a Swedish specialist on how to improve programs and how to train staff members]

Dear friends, to date, our television broadcasting sector has received aid from SIDA to improve programs of the Hanoi, Thua Thien-Hue, and Can Tho Television Stations. It is agreed that in the near future, SIDA will implement its second phase assistance program in Vietnam by providing more aid to 12 local television stations in various provinces.

**Postal Branch Applies for Launching Satellite**

*BK0111072595 Hanoi VNA in English*  
*0621 GMT 1 Nov 95*

[FBIS Transcribed Text] Hanoi VNA Nov. 1 — Vietnam's postal branch has sent applications to regional and international organisations to launch a telecommunication satellite in late 2000.

Vietnam estimates the cost of the launching of this satellite which will have an operational life of 15-20



years at USD 250-300 million. Mr. Nguyen Ngo Hong, director of the information and publishing center under the Vietnam Post and Telecommunications (VNPT), affirmed that Vietnam's postal branch would be able to raise the money.

To date, six U.S. and European companies have approached Vietnam with the satellite launching services but officials say they have not chosen any of them yet.

#### **Sugarcane Production Reported Rising**

*BK2910141295 Hanoi VNA in English  
1230 GMT 29 Oct 95*

[FBIS Transcribed Text] Hanoi VNA October 29 — Vietnam's sugarcane sector produced and processed nearly 388,500 tonnes of sugar of various kinds, including glucose, cane and refined sugar, in the first nine months of this year, an increase of over 56,100 tonnes over the same period last year.

In order to restructure the agricultural economy, dozens of localities nationwide have put thousands of hectares under sugarcane. The country may yield 7 to 7.5 million tonnes of sugarcane or an increase of thousands of tonnes, compared with the same period last year.

Many localities have expanded or built modern sugar-processing mills, such as Tuyen Quang, Son La, Thanh Hoa, Nghe An, Quang Ngai, Khanh Hoa, Phu Yen, Song Be, Tra Vinh and Soc Trang.

As a result, the output of processed sugarcane rose by nearly 25 percent, with central sugar-processing enterprises rising more than 49 percent, compared to the same period last year.

However, only some 1.5 million tonnes of annual sugarcane output are processed by modern technology. The remainder is processed by manual labor or low technology, which leads to a relative loss of crop output up to 20 percent in some localities.

#### **Le Duc Anh Announces Cabinet Reshuffle**

*BK0311085195 Hanoi VNA in English  
0640 GMT 3 Nov 95*

[FBIS Transcribed Text] Hanoi VNA Nov. 3 — State President Le Duc Anh on November 1st approved a cabinet reshuffle in the wake of the merger of eight ministries and ministerial-level agencies into three new ministries, which was approved by the National Assembly at its just-ended session.

The president's decision takes immediate effect from the date of signing and states:

- Mr. Nguyen Cong Tan, former minister of agriculture and food industry, is appointed minister of agriculture and rural development

- Mr. Nguyen Canh Dinh, former minister of water conservancy, is posted as chairman of the Vietnam Mekong Committee and also head of the National Steering Committee for natural disaster prevention

- Mr. Dang Vu Chu, former minister of light industry, is made minister of industry which was merged from the ministries of light, heavy and energy industries

- Mr. Do Quoc Sam, former head of the state planning committee, is now appointed minister of planning and investment which is a combination of the State Planning Committee (SPC) and the State Committee for Cooperation and Investment (SCCI)

- Mr. Dau Ngoc Xuan, former chairman of the SCCI, is now minister without portfolio and chairman of the state project appraisal council

- Mr. Nguyen Ky Cam, former state inspector general is now minister without portfolio and permanent member of the anti-corruption and smuggling steering committee

- Mr. Do Nguyen Phuong is appointed minister of health to replace Mr. Nguyen Trong Nhan

- Mr. Ta Huu Thanh assumes the post as inspector general

- Mr. Tran Lum is now released from his post as the minister of heavy industry

- Mr. Thai Phung Ne is released his post as the minister of energy, and

- Mr. Nguyen Quang Ha is released from his post as the minister of forestry.

With the reshuffle part of Vietnam's efforts to reduce bureaucracy and make the government's performance more effective, the Vietnamese Government now has 17 ministries, five ministerial-level agencies and a number of organizations and committees attached to the government.

#### **Song Thao District Admits 130 New Party Members**

*BK0211094595 Hanoi Voice of Vietnam Network  
in Vietnamese 0500 GMT 2 Nov 95*

[FBIS Translated Text] Vinh Phu Province's district of Song Thao this year has satisfactorily carried out the party building task. As of early October, the district had admitted 130 new party members.

While recruiting new party members, the Song Thao Party Committee has paid special attention to enhancing



the quality of party membership. Most of its party members have undergone various training courses and have been assigned with tasks at various local mass organizations and units. About 80 percent of the newly admitted party members graduated from high schools and universities; 60 percent of them are college and vocational school graduates. It is noteworthy that all villages of Song Thao District have admitted new party members.

**Hanoi Establishes New Inner Precinct**

*BK0311084895 Hanoi VNA in English*  
*0618 GMT 3 Nov 95*

[FBIS Transcribed Text] Hanoi VNA Nov. 3 — Prime Minister Vo Van Kiet has recently issued governmental

decision No. 69/cp which takes effect from Oct. 28 1995, on the founding of Tay Ho as a precinct of Hanoi.

Tay Ho Precinct is founded on the basis of merging three wards of Ba Dinh Precinct, namely Buoi, Thuy Khue and Yen Phu, and five communes of Tu Liem district, namely Tu Lien, Nhat Tan, Quang An, Xuan La and Phu Thuong.

Tay Ho Precinct which includes eight wards covers an area of 2,042.7 hectares and has a population of 69,713.

Tay Ho, the fifth inner precinct of Hanoi, neighbours Gia Lam District and Ba Dinh Precinct in the east, Tu Liem District in the west, Ba Dinh Precinct in the south and Dong Anh District in the north.



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